

**Missouri Senate  
Appropriations Committee**

**2006  
ANNUAL FISCAL REPORT  
Fiscal Year 2007**

**93<sup>rd</sup> General Assembly  
Second Regular Session**

**Senator Michael Gibbons  
President Pro Tem**

**Senator Chuck Gross  
Appropriations Committee Chairman**



***Prepared by  
Senate Appropriations Committee Staff***

# 2006 ANNUAL FISCAL REPORT

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## PREFACE

The Senate Appropriations Committee is pleased to present this Annual Fiscal Report. It is designed to provide legislators, legislative and departmental staff, and the public detailed information about the appropriations and budget process during the 93<sup>rd</sup> General Assembly, 2nd Regular Session (2006) as well as information about fiscal and budget issues in previous years.

The Report is divided into four sections. Section I, **FY 2007 Statewide Budget Information**, provides a summary of Missouri's \$20.8 billion operating budget for Fiscal Year 2007. This section includes appropriation bill totals for operating and capital improvements. In addition, this section contains an appropriation veto summary, the fiscal year general revenue estimate, a full time equivalent (FTE) summary by department and several charts and graphs depicting revenue and appropriation information.

Section II, **FY 2007 Departmental Budget Information**, provides detailed information on each state department. Information includes the appropriation amount, percentage increases or decreases, and the major changes from the previous fiscal year. This section also contains pie charts that display information unique to each department.

Section III, **Missouri State Finances**, provides historical expenditure information on the state's operating and capital improvement budgets. In addition, information is presented regarding past revenue collections, an analysis of state tax credits, bond indebtedness, and the distribution of gaming, lottery and tobacco settlement revenues.

Section IV, **Topics of Interest**, provides information about a wide variety of subjects of current interest. This section contains information related to the estimated impact of TAFP legislation, highway fund distributions and Amendment # 3, court ordered desegregation, state employee pay plan history, state rankings and performance, budget reserve fund, total state revenue calculation, budget process overview, and the calendar of floor action on appropriation bills.

We hope that the Annual Fiscal Report will provide the reader with a wide range of interesting topics regarding the Missouri state budget and finances. If you have any comments or suggestions please send them to Dan Haug, Senate Appropriations Committee Staff, Rm. B-8, State Capitol Building, fax them to (573) 751-4778 or e-mail him at [DHaug@senate.mo.gov](mailto:DHaug@senate.mo.gov).

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*Revised: October 2005*

# **Section I**

## **FISCAL YEAR 2007 STATEWIDE BUDGET INFORMATION**

## FY 2007 OPERATING BUDGET SUMMARY

House Bill	FY 2005 Prior Year Expenditures	FY 2006 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b>1</b>	<b><u>Public Debt</u></b>						
General Revenue	\$ 100,301,314	\$ 104,855,732	\$ 91,358,692	\$ 91,358,692	\$ 91,358,692	\$ 91,358,692	\$ 91,358,692
Federal Funds	0	0	0	0	0	0	0
Other Funds	980,106	1,002,235	6,287,634	81,287,634	6,287,634	6,287,634	6,287,634
Total	\$ 101,281,420	\$ 105,857,967	\$ 97,646,326	\$ 172,646,326	\$ 97,646,326	\$ 97,646,326	\$ 97,646,326
<b>2</b>	<b><u>Elementary and Secondary Education</u></b>						
General Revenue	\$ 2,568,539,993	\$ 2,558,361,252	\$ 2,739,179,155	\$ 2,740,594,155	\$ 2,739,929,155	\$ 2,739,824,155	\$ 2,739,824,155
Federal Funds	865,603,835	948,302,067	968,747,262	939,524,896	939,524,896	939,524,896	939,524,896
Other Funds	1,201,276,384	1,336,789,504	1,330,973,190	1,330,898,190	1,337,181,733	1,337,181,733	1,337,181,733
Total	\$ 4,635,420,212	\$ 4,843,452,823	\$ 5,038,899,607	\$ 5,011,017,241	\$ 5,016,635,784	\$ 5,016,530,784	\$ 5,016,530,784
<b>3</b>	<b><u>Higher Education</u></b>						
General Revenue	\$ 834,519,478	\$ 855,961,813	\$ 873,602,130	\$ 876,162,744	\$ 889,248,262	\$ 889,356,731	\$ 879,356,731
Federal Funds	3,708,882	6,247,638	6,468,111	6,468,111	6,468,111	6,468,111	6,468,111
Other Funds	148,923,952	183,805,883	209,883,378	191,695,878	209,879,528	182,792,028	182,792,028
Total	\$ 987,152,312	\$ 1,046,015,334	\$ 1,089,953,619	\$ 1,074,326,733	\$ 1,105,595,901	\$ 1,078,616,870	\$ 1,068,616,870
<b>4</b>	<b><u>Revenue</u></b>						
General Revenue	\$ 76,582,278	\$ 95,788,938	\$ 84,555,411	\$ 85,215,411	\$ 85,538,324	\$ 85,437,324	\$ 85,437,324
Federal Funds	6,322,475	7,644,994	6,404,905	6,404,905	6,404,905	6,404,905	6,404,905
Other Funds	357,773,217	324,789,987	321,102,203	320,788,569	320,377,203	320,377,203	320,377,203
Total	\$ 440,677,970	\$ 428,223,919	\$ 412,062,519	\$ 412,408,885	\$ 412,320,432	\$ 412,219,432	\$ 412,219,432
<b>4</b>	<b><u>Transportation</u></b>						
General Revenue	\$ 11,759,808	\$ 11,489,115	\$ 10,609,321	\$ 10,884,321	\$ 11,859,321	\$ 11,859,321	\$ 11,859,321
Federal Funds	51,989,494	57,431,590	53,751,383	53,751,383	53,751,383	53,751,383	53,751,383
Other Funds	1,687,609,010	1,656,709,297	2,556,587,599	2,556,837,599	2,555,599,645	2,555,874,644	2,555,849,644
Total	\$ 1,751,358,312	\$ 1,725,630,002	\$ 2,620,948,303	\$ 2,621,473,303	\$ 2,621,210,349	\$ 2,621,485,348	\$ 2,621,460,348
<b>5</b>	<b><u>Office of Administration</u></b>						
General Revenue	\$ 166,602,191	\$ 146,838,265	\$ 168,109,367	\$ 167,748,646	\$ 167,700,804	\$ 170,700,804	\$ 170,700,804
Federal Funds	6,366,349	16,116,423	76,306,928	76,306,928	76,306,928	76,306,928	76,306,928
Other Funds	8,183,529	9,157,399	28,868,627	28,868,628	28,871,430	28,871,430	28,871,430
Total	\$ 181,152,069	\$ 172,112,087	\$ 273,284,922	\$ 272,924,202	\$ 272,879,162	\$ 275,879,162	\$ 275,879,162
<b>5</b>	<b><u>Employee Benefits</u></b>						
General Revenue	\$ 455,603,218	\$ 475,323,434	\$ 508,842,084	\$ 509,948,719	\$ 510,662,721	\$ 510,411,801	\$ 510,411,801
Federal Funds	129,439,286	147,578,286	160,837,877	160,837,877	160,837,877	160,837,877	160,837,877
Other Funds	129,106,401	141,568,823	144,574,812	144,728,612	144,574,812	144,728,612	144,728,612
Total	\$ 714,148,905	\$ 764,470,543	\$ 814,254,773	\$ 815,515,208	\$ 816,075,410	\$ 815,978,290	\$ 815,978,290
<b>6</b>	<b><u>Agriculture</u></b>						
General Revenue	\$ 14,530,608	\$ 16,484,499	\$ 22,742,779	\$ 23,442,779	\$ 22,690,155	\$ 22,832,655	\$ 22,832,655
Federal Funds	1,962,335	5,443,995	4,683,906	4,683,906	4,933,906	4,933,906	4,933,906
Other Funds	9,837,002	15,695,405	14,675,244	14,675,244	14,925,244	14,925,244	14,925,244
Total	\$ 26,329,945	\$ 37,623,899	\$ 42,101,929	\$ 42,801,929	\$ 42,549,305	\$ 42,691,805	\$ 42,691,805



**FY 2007 OPERATING BUDGET SUMMARY**

<b>House Bill</b>	<b>FY 2005 Prior Year Expenditures</b>	<b>FY 2006 Current Year Appropriations</b>	<b>Governor's Amended Recommendation</b>	<b>House Recommendation</b>	<b>Senate Recommendation</b>	<b>Conference Recommendation</b>	<b>After Veto Recommendation</b>
<b>6</b>	<b><u>Natural Resources</u></b>						
General Revenue	\$ 7,815,188	\$ 6,641,165	\$ 10,653,198	\$ 10,547,582	\$ 10,047,582	\$ 10,047,582	\$ 10,047,582
Federal Funds	33,258,642	44,618,355	42,796,821	42,796,821	42,796,822	42,796,822	42,796,822
Other Funds	276,974,388	275,700,354	270,683,531	270,839,147	270,789,147	270,789,147	270,789,147
Total	\$ 318,048,218	\$ 326,959,874	\$ 324,133,550	\$ 324,183,550	\$ 323,633,551	\$ 323,633,551	\$ 323,633,551
<b>6</b>	<b><u>Conservation</u></b>						
General Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0	0	0
Other Funds	121,944,528	137,196,601	141,798,873	141,798,873	141,048,873	141,048,873	141,048,873
Total	\$ 121,944,528	\$ 137,196,601	\$ 141,798,873	\$ 141,798,873	\$ 141,048,873	\$ 141,048,873	\$ 141,048,873
<b>7</b>	<b><u>Economic Development</u></b>						
General Revenue	\$ 39,291,273	\$ 35,509,307	\$ 44,814,917	\$ 43,450,461	\$ 45,139,849	\$ 43,885,380	\$ 43,885,380
Federal Funds	153,300,568	163,032,156	158,714,384	158,714,384	158,714,384	158,714,384	158,714,384
Other Funds	48,187,648	73,135,407	121,790,405	84,524,862	73,713,406	79,762,332	79,507,863
Total	\$ 240,779,489	\$ 271,676,870	\$ 325,319,706	\$ 286,689,707	\$ 277,567,639	\$ 282,362,096	\$ 282,107,627
<b>7</b>	<b><u>Insurance</u></b>						
General Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	439,248	600,000	600,000	600,000	600,000	600,000	600,000
Other Funds	11,933,207	13,848,508	13,038,692	13,038,692	13,038,692	13,038,692	13,038,692
Total	\$ 12,372,455	\$ 14,448,508	\$ 13,638,692	\$ 13,638,692	\$ 13,638,692	\$ 13,638,692	\$ 13,638,692
<b>7</b>	<b><u>Labor and Industrial Relations</u></b>						
General Revenue	\$ 2,518,257	\$ 2,490,016	\$ 2,269,725	\$ 2,269,725	\$ 2,544,187	\$ 2,462,141	\$ 2,462,141
Federal Funds	43,253,253	60,408,140	55,793,665	55,793,665	55,793,665	55,793,665	55,793,665
Other Funds	96,800,155	102,476,778	95,166,771	95,166,771	95,166,771	95,166,771	95,166,771
Total	\$ 142,571,665	\$ 165,374,934	\$ 153,230,161	\$ 153,230,161	\$ 153,504,623	\$ 153,422,577	\$ 153,422,577
<b>8</b>	<b><u>Public Safety</u></b>						
General Revenue	\$ 43,654,130	\$ 64,597,706	\$ 62,084,170	\$ 63,138,476	\$ 64,741,980	\$ 63,966,596	\$ 63,966,596
Federal Funds	102,993,602	73,980,467	82,673,604	81,521,604	81,552,885	81,482,031	81,482,031
Other Funds	227,699,250	248,704,784	270,059,233	271,781,648	275,041,211	275,041,211	275,041,211
Total	\$ 374,346,982	\$ 387,282,957	\$ 414,817,007	\$ 416,441,728	\$ 421,336,076	\$ 420,489,838	\$ 420,489,838
<b>9</b>	<b><u>Corrections</u></b>						
General Revenue	\$ 508,151,066	\$ 516,768,254	\$ 585,538,645	\$ 587,104,907	\$ 585,460,024	\$ 586,127,292	\$ 586,127,292
Federal Funds	4,730,775	8,139,981	8,587,041	8,587,041	8,587,041	8,587,041	8,587,041
Other Funds	30,611,250	42,840,685	43,231,872	43,647,735	43,632,887	43,632,887	43,632,887
Total	\$ 543,493,091	\$ 567,748,920	\$ 637,357,558	\$ 639,339,683	\$ 637,679,952	\$ 638,347,220	\$ 638,347,220
<b>10</b>	<b><u>Mental Health</u></b>						
General Revenue	\$ 512,762,733	\$ 514,691,270	\$ 536,868,415	\$ 538,094,003	\$ 551,340,904	\$ 554,004,413	\$ 554,004,413
Federal Funds	350,620,718	420,634,421	437,114,620	447,625,928	445,833,370	451,928,567	451,928,567
Other Funds	36,275,528	35,837,786	36,553,990	36,723,990	38,536,385	39,079,337	39,079,337
Total	\$ 899,658,979	\$ 971,163,477	\$ 1,010,537,025	\$ 1,022,443,921	\$ 1,035,710,659	\$ 1,045,012,317	\$ 1,045,012,317

## FY 2007 OPERATING BUDGET SUMMARY

House Bill	FY 2005 Prior Year Expenditures	FY 2006 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b>10 Health</b>							
General Revenue	\$ 69,755,302	\$ 214,031,019	\$ 226,536,142	\$ 237,137,881	\$ 225,957,482	\$ 228,301,096	\$ 228,301,096
Federal Funds	291,842,477	564,482,938	567,989,950	569,509,897	568,031,734	567,288,385	567,288,385
Other Funds	34,214,460	51,777,756	27,366,292	27,277,085	26,879,585	26,767,085	26,767,085
Total	\$ 395,812,239	\$ 830,291,713	\$ 821,892,384	\$ 833,924,863	\$ 820,868,801	\$ 822,356,566	\$ 822,356,566
<b>11 Social Services</b>							
General Revenue	\$ 1,440,510,824	\$ 1,251,364,386	\$ 1,466,489,696	\$ 1,396,780,632	\$ 1,413,045,574	\$ 1,415,767,492	\$ 1,415,767,492
Federal Funds	3,367,567,010	3,330,554,576	3,562,423,620	3,567,847,804	3,432,394,315	3,439,130,872	3,439,130,872
Other Funds	1,508,821,674	1,359,204,109	1,279,779,638	1,322,144,638	1,322,344,638	1,322,144,638	1,322,144,638
Total	\$ 6,316,899,508	\$ 5,941,123,071	\$ 6,308,692,954	\$ 6,286,773,074	\$ 6,167,784,527	\$ 6,177,043,002	\$ 6,177,043,002
<b>12 Elected Officials</b>							
General Revenue	\$ 44,503,179	\$ 42,922,819	\$ 45,924,199	\$ 46,224,199	\$ 45,924,199	\$ 46,224,199	\$ 46,224,199
Federal Funds	15,404,560	75,071,079	38,181,093	38,181,093	38,181,093	38,181,093	38,181,093
Other Funds	31,122,470	44,248,716	45,933,279	45,933,279	45,933,279	45,933,279	45,933,279
Total	\$ 91,030,209	\$ 162,242,614	\$ 130,038,571	\$ 130,338,571	\$ 130,038,571	\$ 130,338,571	\$ 130,338,571
<b>12 Judiciary</b>							
General Revenue	\$ 140,697,623	\$ 140,367,340	\$ 153,996,581	\$ 156,916,016	\$ 155,367,876	\$ 155,267,876	\$ 155,267,876
Federal Funds	5,531,703	12,881,488	9,700,642	9,700,642	9,700,642	9,700,642	9,700,642
Other Funds	8,393,255	9,212,166	10,279,339	10,279,339	10,279,339	10,279,339	10,279,339
Total	\$ 154,622,581	\$ 162,460,994	\$ 173,976,562	\$ 176,895,997	\$ 175,347,857	\$ 175,247,857	\$ 175,247,857
<b>12 Public Defender</b>							
General Revenue	\$ 28,461,895	\$ 28,463,282	\$ 29,382,667	\$ 30,382,667	\$ 30,493,582	\$ 30,493,582	\$ 30,337,822
Federal Funds	0	125,000	125,000	125,000	125,000	125,000	125,000
Other Funds	1,712,172	1,968,134	1,972,829	1,972,829	1,972,829	1,972,829	1,972,829
Total	\$ 30,174,067	\$ 30,556,416	\$ 31,480,496	\$ 32,480,496	\$ 32,591,411	\$ 32,591,411	\$ 32,435,651
<b>12 General Assembly</b>							
General Revenue	\$ 29,369,558	\$ 30,968,402	\$ 31,951,856	\$ 31,952,356	\$ 32,202,947	\$ 32,300,398	\$ 32,300,398
Federal Funds	0	0	0	0	0	0	0
Other Funds	88,402	192,691	193,567	193,567	193,567	193,567	193,567
Total	\$ 29,457,960	\$ 31,161,093	\$ 32,145,423	\$ 32,145,923	\$ 32,396,514	\$ 32,493,965	\$ 32,493,965
<b>13 Statewide Leasing</b>							
General Revenue	\$ 23,852,224	\$ 24,809,742	\$ 41,230,670	\$ 41,230,670	\$ 41,228,202	\$ 41,228,202	\$ 41,228,202
Federal Funds	13,343,549	13,607,866	19,871,762	19,871,762	20,006,708	20,006,708	20,006,708
Other Funds	5,422,252	4,997,725	9,001,137	9,001,137	9,065,212	9,065,212	9,065,212
Total	\$ 42,618,025	\$ 43,415,333	\$ 70,103,569	\$ 70,103,569	\$ 70,300,122	\$ 70,300,122	\$ 70,300,122
<b>Total Operating Budget</b>							
General Revenue	\$ 7,119,782,140	\$ 7,138,727,756	\$ 7,736,739,820	\$ 7,690,585,042	\$ 7,722,481,822	\$ 7,731,857,732	\$ 7,721,701,972
Federal Funds	5,447,678,761	5,956,901,460	6,261,772,574	6,248,853,647	6,110,545,665	6,122,563,216	6,122,563,216
Other Funds	5,983,890,240	6,070,860,733	6,979,802,135	7,044,103,946	6,985,333,050	6,964,953,727	6,964,674,258
Total	\$ 18,551,351,141	\$ 19,166,489,949	\$ 20,978,314,529	\$ 20,983,542,635	\$ 20,818,360,537	\$ 20,819,374,675	\$ 20,808,939,446

**FY 2007 OPERATING BUDGET SUMMARY**

<b>House Bill</b>	<b>FY 2005 Prior Year Expenditures</b>	<b>FY 2006 Current Year Appropriations</b>	<b>Governor's Amended Recommendation</b>	<b>House Recommendation</b>	<b>Senate Recommendation</b>	<b>Conference Recommendation</b>	<b>After Veto Recommendation</b>
<b><u>Refunds</u></b>							
General Revenue	\$ 1,071,274,137	\$ 1,179,376,271	\$ 1,245,258,271	\$ 1,245,258,271	\$ 1,245,255,371	\$ 1,245,255,371	\$ 1,245,255,371
Federal Funds	2,646,294	1,934,347	1,731,347	1,731,347	1,731,347	1,731,347	1,731,347
Other Funds	45,070,824	41,149,932	46,867,750	46,867,750	46,867,751	46,867,751	46,867,751
Total	\$ 1,118,991,255	\$ 1,222,460,550	\$ 1,293,857,368	\$ 1,293,857,368	\$ 1,293,854,469	\$ 1,293,854,469	\$ 1,293,854,469

# FY 2007 FTE SUMMARY

9/18/2006

House Bill	FY05 Prior Year Actual	FY 06 Current Year	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b>1    <u>Public Debt</u></b>							
General Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Federal Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>2    <u>Elementary and Secondary Education</u></b>							
General Revenue	991.05	998.55	972.45	972.45	972.45	972.45	972.45
Federal Funds	814.84	890.91	856.01	856.01	856.01	856.01	856.01
Other Funds	12.58	4.00	12.00	14.00	12.00	14.00	14.00
Total	<u>1,818.47</u>	<u>1,893.46</u>	<u>1,840.46</u>	<u>1,842.46</u>	<u>1,840.46</u>	<u>1,842.46</u>	<u>1,842.46</u>
<b>3    <u>Higher Education</u></b>							
General Revenue	19.69	15.82	12.57	12.57	12.57	12.57	12.57
Federal Funds	5.14	12.58	12.58	12.58	12.58	12.58	12.58
Other Funds	48.74	61.33	50.77	50.77	50.77	50.77	50.77
Total	<u>73.57</u>	<u>89.73</u>	<u>75.92</u>	<u>75.92</u>	<u>75.92</u>	<u>75.92</u>	<u>75.92</u>
<b>4    <u>Revenue</u></b>							
General Revenue	926.39	1,293.85	1,165.87	1,165.87	1,170.87	1,168.87	1,168.87
Federal Funds	2.74	6.74	6.74	6.74	6.74	6.74	6.74
Other Funds	1,123.69	494.17	456.55	453.55	456.55	453.55	453.55
Total	<u>2,052.82</u>	<u>1,794.76</u>	<u>1,629.16</u>	<u>1,626.16</u>	<u>1,634.16</u>	<u>1,629.16</u>	<u>1,629.16</u>
<b>4    <u>Transportation</u></b>							
General Revenue	6.04	6.43	0.00	0.00	0.00	0.00	0.00
Federal Funds	15.32	17.59	17.98	17.98	17.98	17.98	17.98
Other Funds	7,171.99	6,966.18	6,987.97	6,987.97	6,987.97	6,987.97	6,987.97
Total	<u>7,193.35</u>	<u>6,990.20</u>	<u>7,005.95</u>	<u>7,005.95</u>	<u>7,005.95</u>	<u>7,005.95</u>	<u>7,005.95</u>
<b>5    <u>Office of Administration</u></b>							
General Revenue	376.25	350.15	817.88	813.88	817.88	817.88	817.88
Federal Funds	3.36	10.32	352.24	352.24	352.24	352.24	352.24
Other Funds	493.60	469.03	662.93	662.93	662.93	662.93	662.93
Total	<u>873.21</u>	<u>829.50</u>	<u>1,833.05</u>	<u>1,829.05</u>	<u>1,833.05</u>	<u>1,833.05</u>	<u>1,833.05</u>
<b>6    <u>Agriculture</u></b>							
General Revenue	205.64	195.49	188.46	191.46	190.46	188.81	188.81
Federal Funds	25.62	37.26	35.21	35.21	35.21	36.86	36.86
Other Funds	145.84	190.30	187.63	187.63	187.63	187.63	187.63
Total	<u>377.10</u>	<u>423.05</u>	<u>411.30</u>	<u>414.30</u>	<u>413.30</u>	<u>413.30</u>	<u>413.30</u>
<b>6    <u>Natural Resources</u></b>							
General Revenue	178.01	139.06	120.86	122.32	118.32	118.32	118.32
Federal Funds	354.94	385.51	369.33	369.33	369.33	369.33	369.33
Other Funds	1,342.77	1,421.31	1,345.25	1,347.79	1,347.79	1,347.79	1,347.79
Total	<u>1,875.72</u>	<u>1,945.88</u>	<u>1,835.44</u>	<u>1,839.44</u>	<u>1,835.44</u>	<u>1,835.44</u>	<u>1,835.44</u>

# FY 2007 FTE SUMMARY

9/18/2006

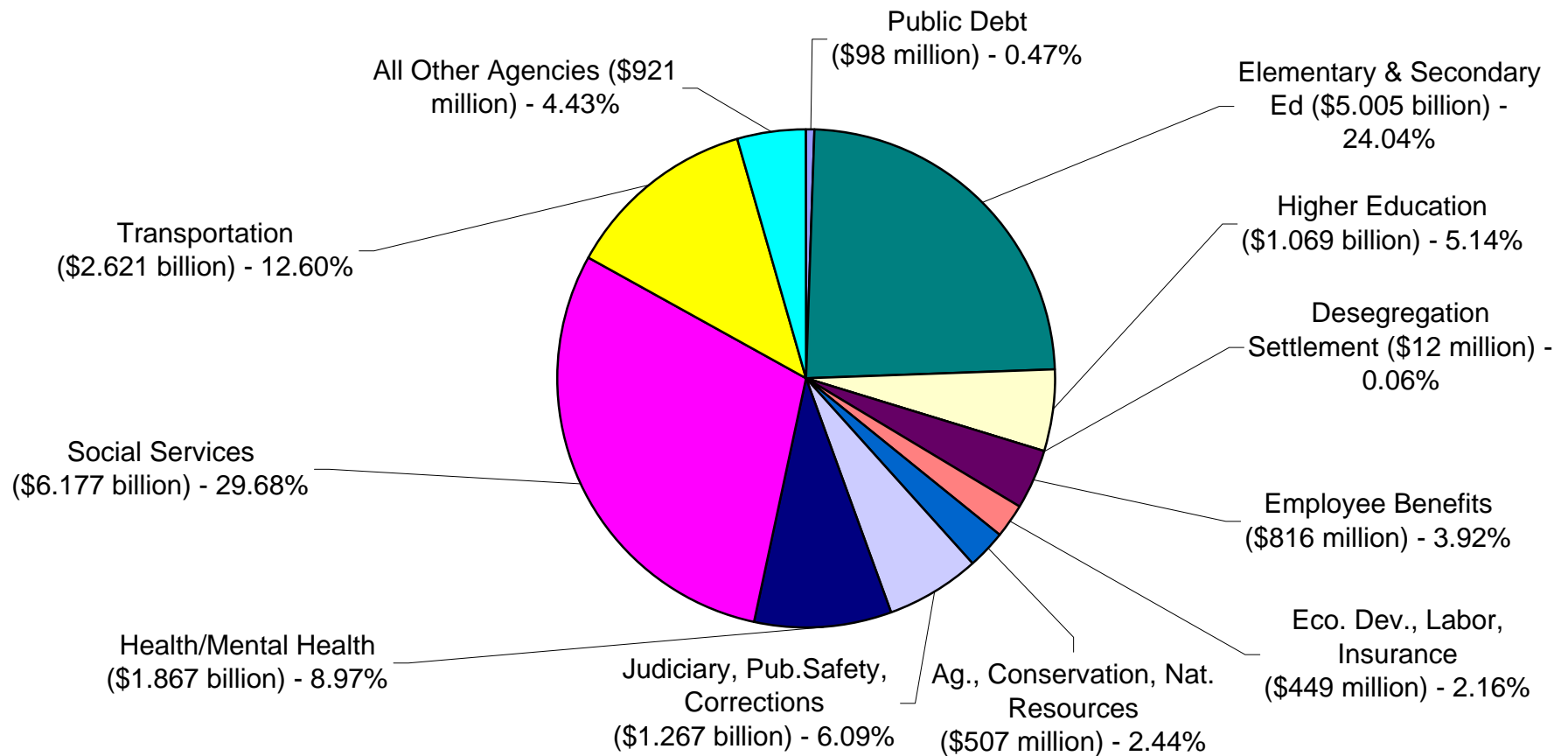
House Bill	FY05 Prior Year Actual	FY 06 Current Year	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b>6</b>							
<b><u>Conservation</u></b>							
General Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Federal Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Funds	1,822.15	1,871.61	1,871.61	1,871.61	1,871.61	1,871.61	1,871.61
Total	1,822.15	1,871.61	1,871.61	1,871.61	1,871.61	1,871.61	1,871.61
<b>7</b>							
<b><u>Economic Development</u></b>							
General Revenue	97.74	96.74	86.41	79.41	84.41	79.41	79.41
Federal Funds	583.30	692.30	636.33	636.33	636.33	636.33	636.33
Other Funds	613.72	643.50	597.63	604.63	600.63	610.63	605.63
Total	1,294.76	1,432.54	1,320.37	1,320.37	1,321.37	1,326.37	1,321.37
<b>7</b>							
<b><u>Insurance</u></b>							
General Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Federal Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Funds	203.40	217.50	202.50	202.50	202.50	202.50	202.50
Total	203.40	217.50	202.50	202.50	202.50	202.50	202.50
<b>7</b>							
<b><u>Labor and Industrial Relations</u></b>							
General Revenue	51.37	37.01	34.21	36.21	41.21	41.21	41.21
Federal Funds	801.99	931.10	808.87	808.87	808.87	808.87	808.87
Other Funds	182.22	207.30	199.83	199.83	199.83	199.83	199.83
Total	1,035.58	1,175.41	1,042.91	1,044.91	1,049.91	1,049.91	1,049.91
<b>8</b>							
<b><u>Public Safety</u></b>							
General Revenue	898.64	1,000.53	996.35	1,000.35	1,009.85	1,013.85	1,013.85
Federal Funds	354.64	390.28	455.03	455.03	455.03	455.03	455.03
Other Funds	3,638.14	3,477.55	3,476.88	3,478.88	3,479.88	3,479.88	3,479.88
Total	4,891.42	4,868.36	4,928.26	4,934.26	4,944.76	4,948.76	4,948.76
<b>9</b>							
<b><u>Corrections</u></b>							
General Revenue	11,735.86	10,959.52	10,951.73	10,928.73	10,926.73	10,928.73	10,928.73
Federal Funds	55.16	64.50	70.50	70.50	70.50	70.50	70.50
Other Funds	288.07	288.00	271.00	271.00	271.00	271.00	271.00
Total	12,079.09	11,312.02	11,293.23	11,270.23	11,268.23	11,270.23	11,270.23
<b>10</b>							
<b><u>Mental Health</u></b>							
General Revenue	8,997.21	8,413.01	8,109.56	8,109.56	8,124.56	8,122.56	8,122.56
Federal Funds	717.85	672.37	682.86	682.06	666.71	666.71	666.71
Other Funds	22.40	37.00	37.00	37.00	37.00	37.00	37.00
Total	9,737.46	9,122.38	8,829.42	8,828.62	8,828.27	8,826.27	8,826.27

# FY 2007 FTE SUMMARY

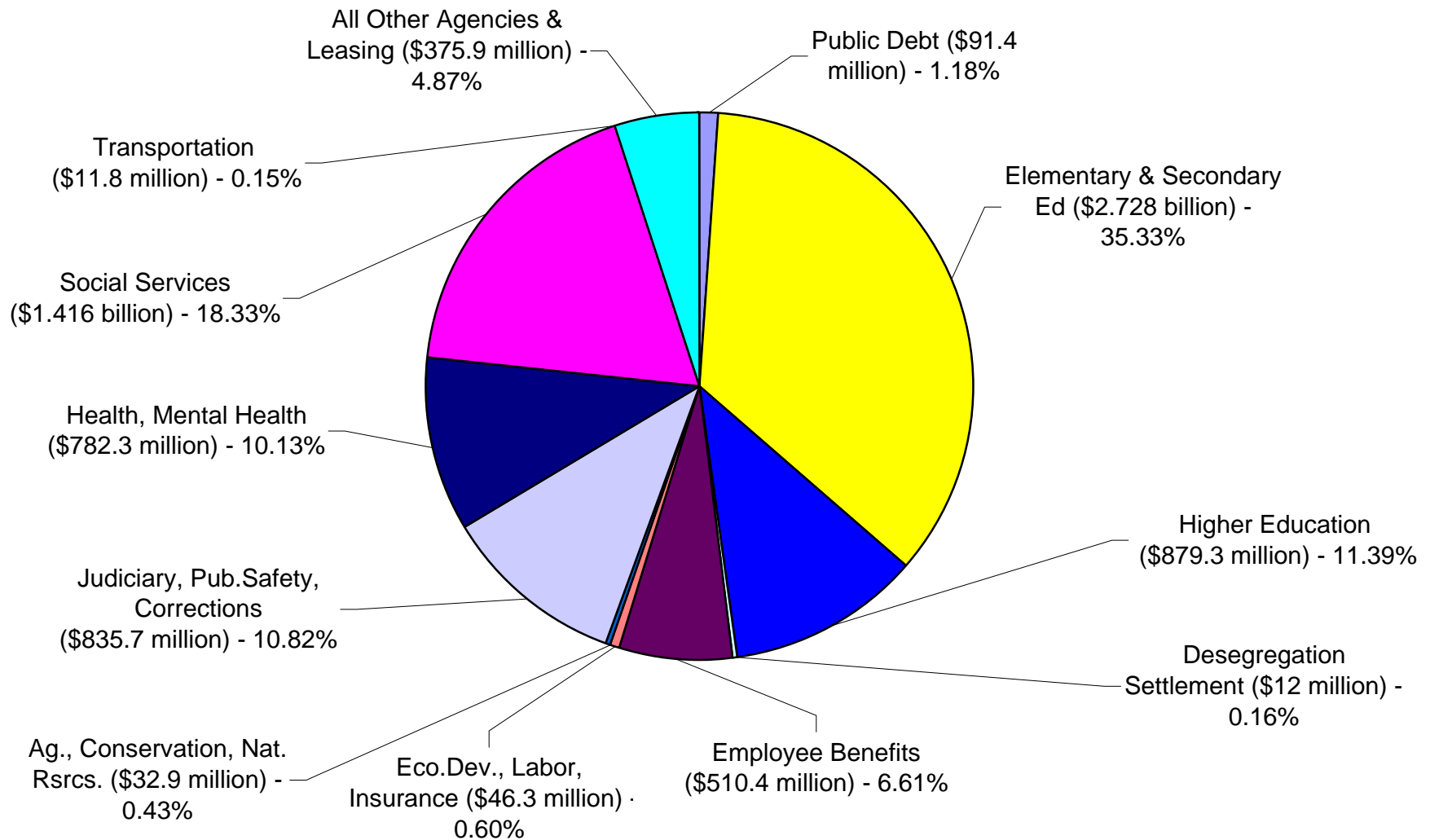
9/18/2006

House Bill	FY05 Prior Year Actual	FY 06 Current Year	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b>10</b>							
<b><u>Health</u></b>							
General Revenue	787.29	749.60	736.98	753.53	738.98	739.53	739.53
Federal Funds	1,123.06	1,205.84	1,107.79	1,107.79	1,115.79	1,107.79	1,107.79
Other Funds	92.60	125.01	104.84	102.29	104.84	102.29	102.29
Total	2,002.95	2,080.45	1,949.61	1,963.61	1,959.61	1,949.61	1,949.61
<b>11</b>							
<b><u>Social Services</u></b>							
General Revenue	3,165.76	2,872.83	2,806.74	2,806.74	2,813.64	2,808.18	2,808.18
Federal Funds	5,022.49	5,070.53	4,887.97	4,887.97	4,898.07	4,890.03	4,890.03
Other Funds	461.40	580.75	586.37	586.37	586.37	586.37	586.37
Total	8,649.65	8,524.11	8,281.08	8,281.08	8,298.08	8,284.58	8,284.58
<b>12</b>							
<b><u>Elected Officials</u></b>							
General Revenue	674.60	651.73	662.73	662.73	662.73	662.73	662.73
Federal Funds	70.79	89.61	93.61	93.61	93.61	93.61	93.61
Other Funds	134.37	206.68	210.68	210.68	210.68	210.68	210.68
Total	879.76	948.02	967.02	967.02	967.02	967.02	967.02
<b>12</b>							
<b><u>Judiciary</u></b>							
General Revenue	3,183.68	3,208.30	3,217.80	3,218.80	3,221.80	3,221.80	3,221.80
Federal Funds	59.76	101.25	99.25	99.25	99.25	99.25	99.25
Other Funds	50.52	62.50	62.50	62.50	62.50	62.50	62.50
Total	3,293.96	3,372.05	3,379.55	3,380.55	3,383.55	3,383.55	3,383.55
<b>12</b>							
<b><u>Public Defender</u></b>							
General Revenue	556.50	558.13	558.13	558.13	558.13	558.13	558.13
Federal Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Funds	1.95	2.00	2.00	2.00	2.00	2.00	2.00
Total	558.45	560.13	560.13	560.13	560.13	560.13	560.13
<b>12</b>							
<b><u>General Assembly</u></b>							
General Revenue	676.05	717.84	717.84	717.84	718.84	710.84	710.84
Federal Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Funds	0.16	1.00	1.00	1.00	1.00	1.00	1.00
Total	676.21	718.84	718.84	718.84	719.84	711.84	711.84
<b>Total HB 1 - HB 12</b>							
General Revenue	33,527.77	32,264.59	32,156.57	32,150.58	32,183.43	32,165.87	32,165.87
Federal Funds	10,011.00	10,578.69	10,492.30	10,491.50	10,494.25	10,479.86	10,479.86
Other Funds	17,850.31	17,326.72	17,326.94	17,334.93	17,335.48	17,341.93	17,336.93
Total	61,389.08	60,170.00	59,975.81	59,977.01	60,013.16	59,987.66	59,982.66

## FY 2007 After Veto Operating Budget All Funds: \$20.809 Billion



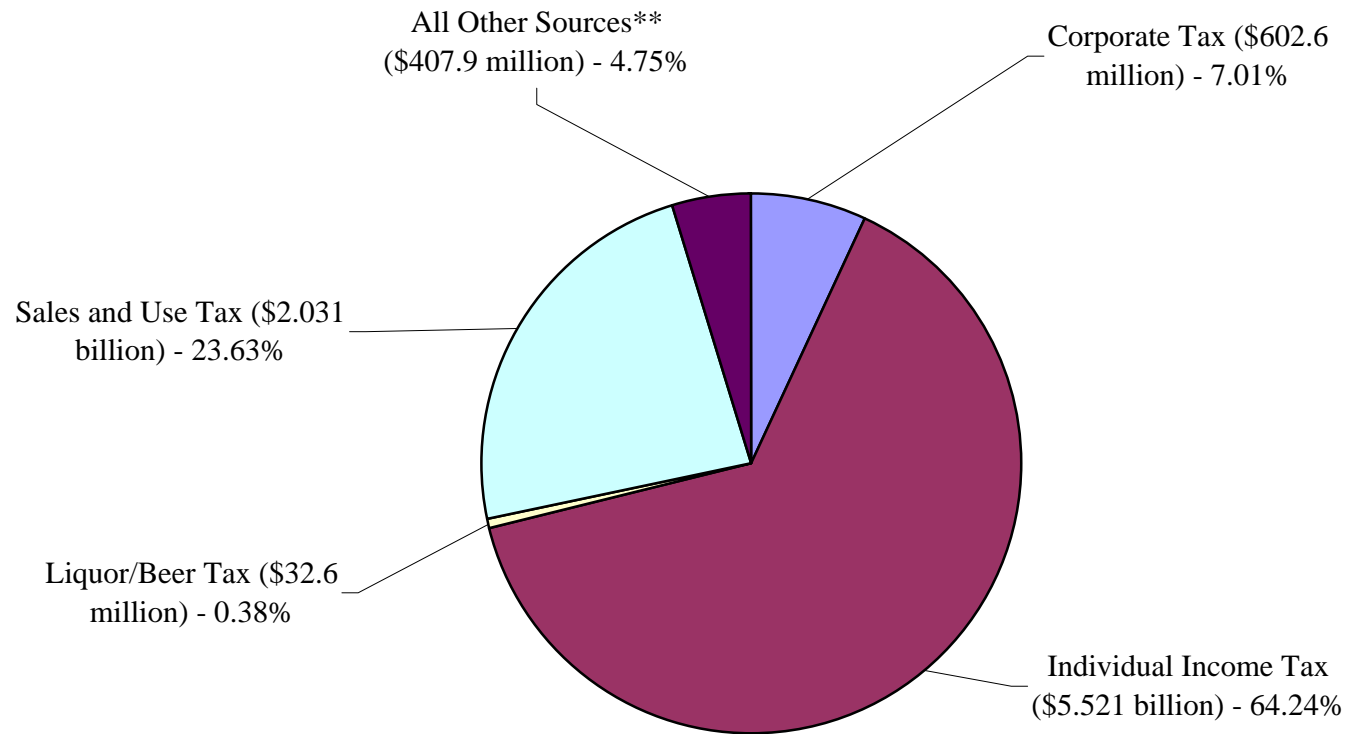
## FY 2007 After Veto Operating Budget General Revenue: \$7.722 Billion





# FY 2007 GR Estimate\*

## \$8.595 Billion

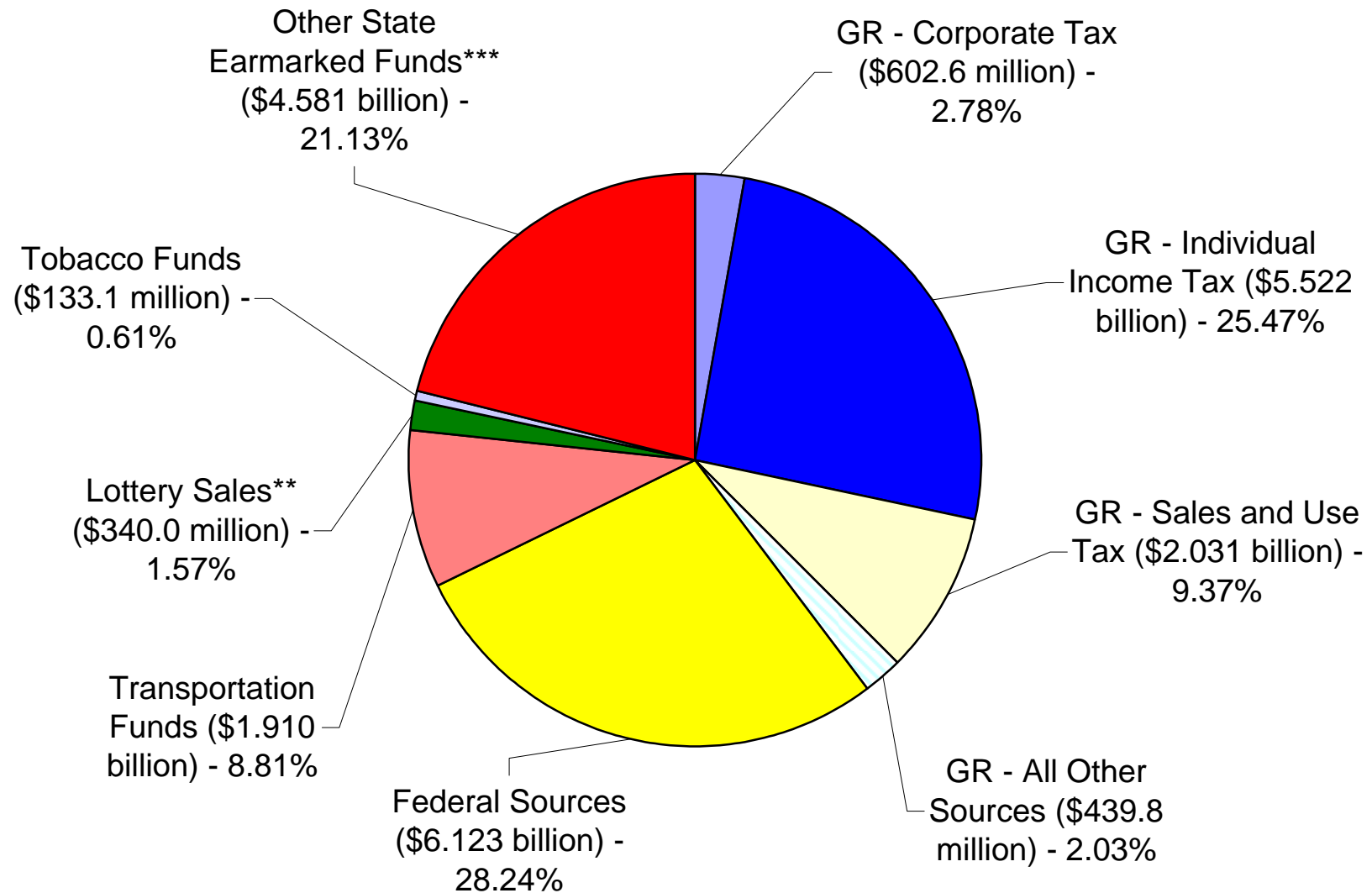


\*Gross Collections does not include refunds of \$1.204 billion

\*\*All Other Sources: interest, county foreign insurance, federal reimbursements, etc..

# FY 2007 All Revenues\*

## Estimate: \$21.683 Billion



\*Gross collections does not include \$1.204 billion in GR refunds.

\*\*Lottery Sales does not include lottery prizes (off budget).

\*\*\*Other State Earmarked Funds: Stormwater Bonds, Conservation Funds, Gaming Funds, etc..

# DISTRIBUTION OF EACH TAX DOLLAR

## FY 2007 AFTER VETO MISSOURI OPERATING BUDGET

All Funds: \$20.809 Billion



\* Revenue, Office of Administration, Elected Officials, General Assembly, Leasing



# DISTRIBUTION OF EACH GENERAL REVENUE TAX DOLLAR

FY 2007 AFTER VETO MISSOURI OPERATING APPROPRIATIONS

General Revenue: \$7.722 Billion



\* Revenue, Office of Administration, Elected Officials, General Assembly, Leasing

**SUMMARY OF GOVERNOR'S VETOES**  
**FY 2007 OPERATING BUDGET,**  
**STATEWIDE LEASING, CAPITAL IMPROVEMENTS, & REAPPROPRIATIONS**

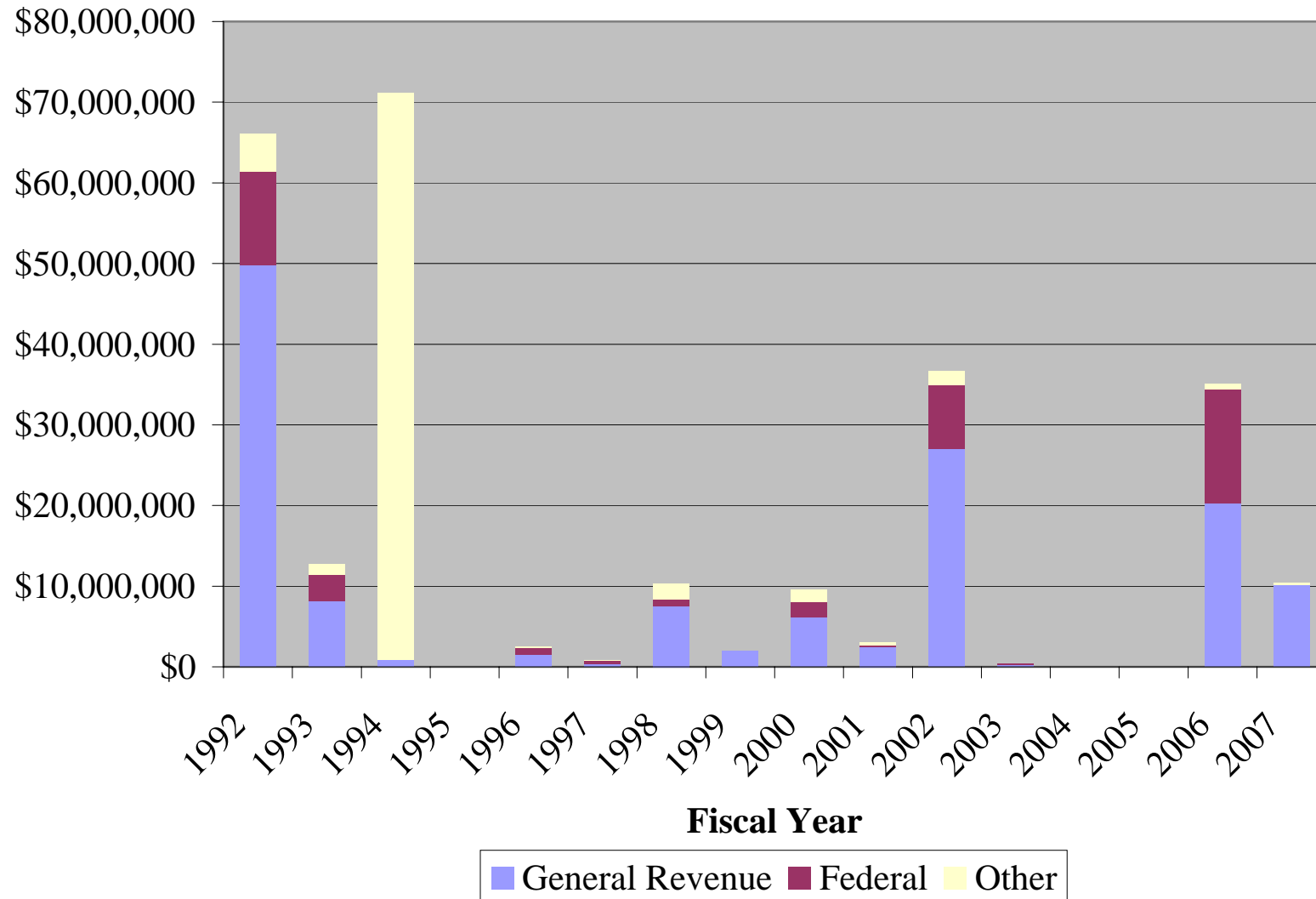
<b>House</b>	<b><u>Bill</u></b>	<b><u>Department</u></b>	<b><u>Section</u></b>	<b><u>Amount</u> <u>Vetoed</u></b>	<b><u>FTE</u></b>	<b><u>Fund</u></b>	<b><u>Remarks</u></b>
	3	Higher Education	3.078	\$10,000,000		GR	For the purpose of funding the Access Missouri Scholarship Program because enabling legislation did not pass.
	4	Transportation	4.243	\$25,000		OTH	For the purpose of funding the Mississippi River Parkway Commission due to conflict with Section 226.445, RSMo.
	7	Economic Development	7.205	\$254,469	5.0	OTH	For the purpose of funding additional personnel at the Office of Public Counsel because the legislation creating a new funding mechanism did not pass.
	12	Public Defender	12.400	\$155,760		GR	For the purpose of funding Public Defender parking because it is the responsibility of participating counties.

**TOTAL FY 2007 VETOES**

General Revenue Fund	\$10,155,760
Federal Funds	0
Other State Funds	279,469
Total of FY 2007 Vetoes	\$10,435,229
(FTE)	(5.0)

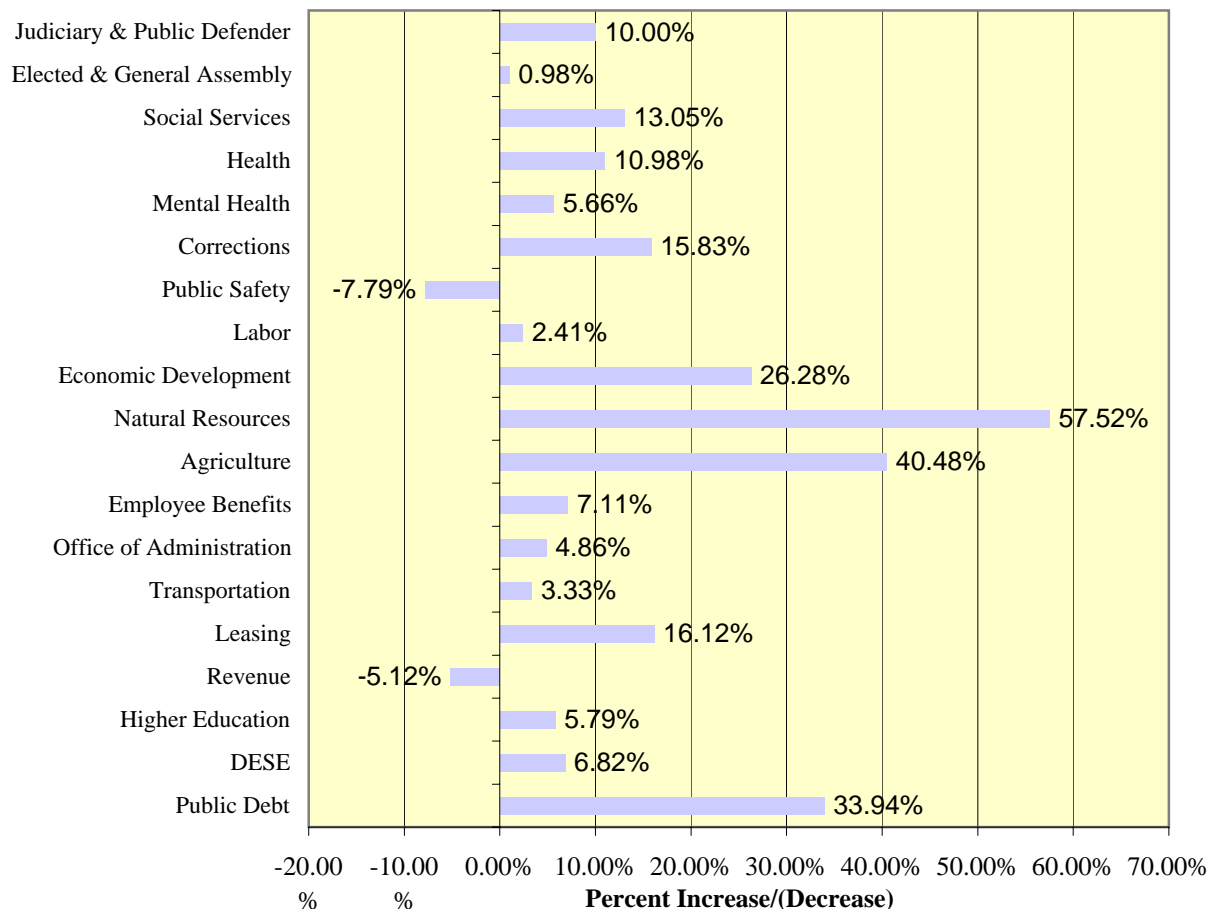
# Governor Veto History

## Fiscal Years 1992 - 2007



## FY 2006 Actual vs. FY 2007 GR Appropriation

Department/Agency	FY 2006 Actual	FY 2007	Difference	% Change
Public Debt	\$ 68,207,584	\$ 91,358,692	\$ 23,151,108	33.94%
DESE	2,564,869,759	2,739,824,155	174,954,396	6.82%
Higher Education	831,264,897	879,356,731	48,091,834	5.79%
Revenue	90,046,098	85,437,324	(4,608,774)	-5.12%
Leasing	35,506,075	41,228,202	5,722,127	16.12%
Transportation	11,476,821	11,859,321	382,500	3.33%
Office of Administration	162,794,441	170,700,804	7,906,363	4.86%
Employee Benefits	476,514,858	510,411,801	33,896,943	7.11%
Agriculture	16,252,834	22,832,655	6,579,821	40.48%
Natural Resources	6,378,607	10,047,582	3,668,975	57.52%
Economic Development	34,752,844	43,885,380	9,132,536	26.28%
Labor	2,404,167	2,462,141	57,974	2.41%
Public Safety	69,367,711	63,966,596	(5,401,115)	-7.79%
Corrections	506,016,408	586,127,292	80,110,884	15.83%
Mental Health	524,314,568	554,004,413	29,689,845	5.66%
Health	205,719,205	228,301,096	22,581,891	10.98%
Social Services	1,252,305,354	1,415,767,492	163,462,138	13.05%
Elected & General Assembly	77,763,117	78,524,597	761,480	0.98%
Judiciary & Public Defender	168,732,332	185,605,698	16,873,366	10.00%
<b>TOTALS</b>	<b>7,104,687,680</b>	<b>7,721,701,972</b>	<b>617,014,292</b>	<b>8.68%</b>



# **Section II**

## **FISCAL YEAR 2007 DEPARTMENTAL BUDGET INFORMATION**



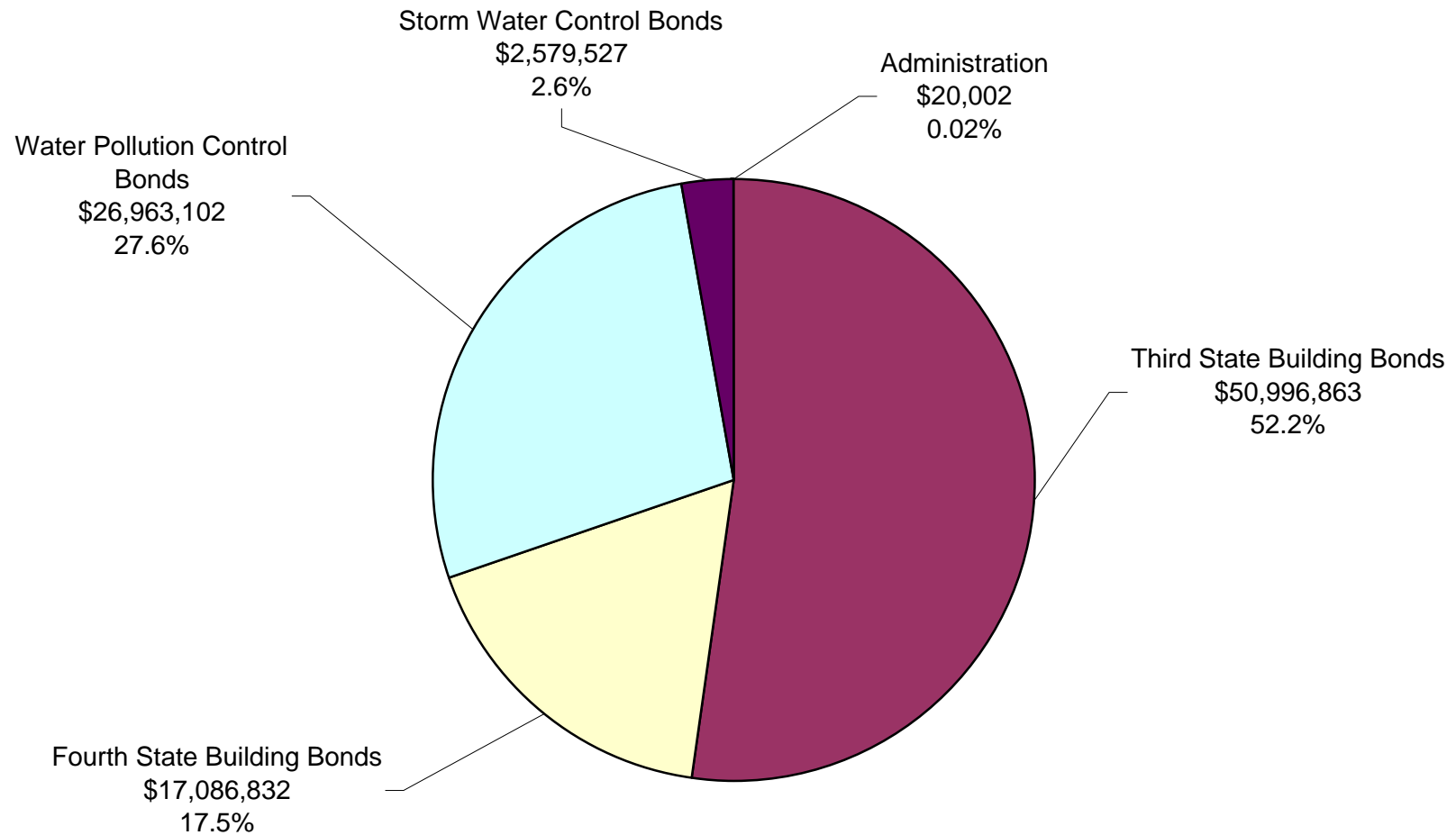
## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1001 – PUBLIC DEBT

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$104,855,732	\$91,358,692	(12.9%)
FED	0	0	0.0%
OTHER	<u>1,002,235</u>	<u>6,287,634</u>	<u>527.4%</u>
TOTAL	\$105,857,967	\$97,646,326	(7.8%)

- Water Pollution Control Bonds-protection of the environment through the control of water pollution
- Third State Building Bonds-provides funds for improvements of State buildings and property
- Fourth State Building Bonds-provides funds for improvements of buildings and property of higher education institutions, the Department of Corrections and the Division of Youth Services
- Stormwater Control Bonds-protection of the environment through the control of stormwaters

**FY 2007 Public Debt**  
**General Obligation Bond Principal & Interest Payment Distribution**  
**\$97,646,326**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1002 – DEPT. OF ELEMENTARY AND SECONDARY EDUCATION

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$2,558,361,252	\$2,739,824,155	7.1%
FED	948,302,067	939,524,896	(0.9%)
OTHER	<u>1,336,789,504</u>	<u>1,337,181,733</u>	<u>0.0%</u>
TOTAL	\$4,843,452,823	\$5,016,530,784	3.6 %
 F.T.E.	 1,893.46	 1,842.46	 (2.7%)

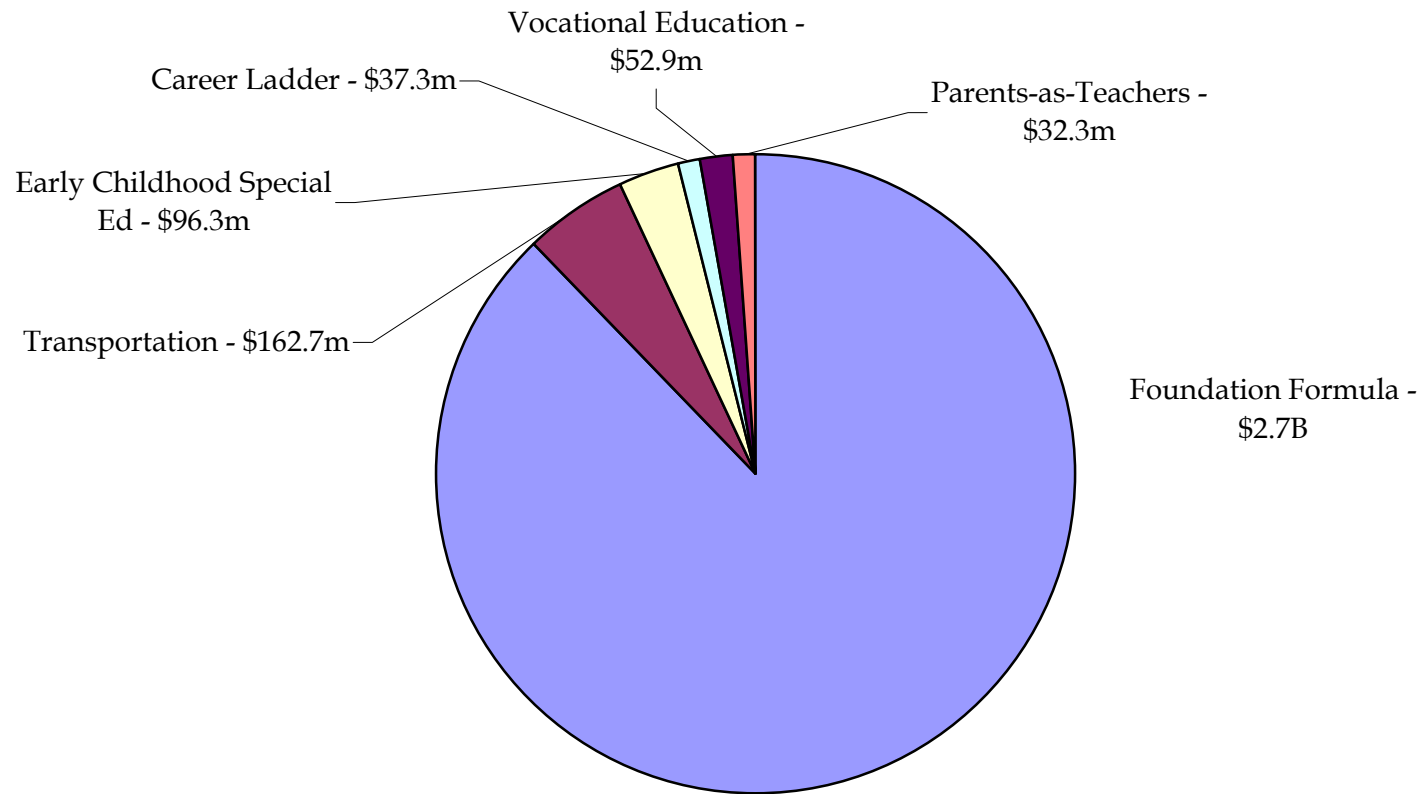
#### Major Changes

\$2,801,539	Provides for a 4% cost of living increase for state employees, and two-step repositioning for nursing staff (all funds)
\$127,852,205	Provides for year 1 phase in of the new Foundation Formula
\$15,000,000	Provides for funding of the Small Schools Grant program established last year in SB 287
\$600,000	Provides an increase to the Transportation categorical
\$1,000,000	Provides an increase to the Parents as Teachers categorical
\$1,600,000	Provides an increase to the First Steps program
\$17,671,000	Provides an increase for the school food program (Federal funds)
\$1,791,925	Provides an increase for the A+ Program
\$125,000	Provides 2.00 FTE for the Virtual Schools Program
\$425,000	Provides an increase to the Independent Living Centers
\$70,000	Provides for one additional Blindness Skills Specialist
\$6,060,000	Provides increased funding for Special Education Excess Costs fund
\$5,000,000	Provides an increase for special education (Federal funds)
\$1,500,000	Provides an increase for the Rural and Low-Income Schools Grant (Federal funds)

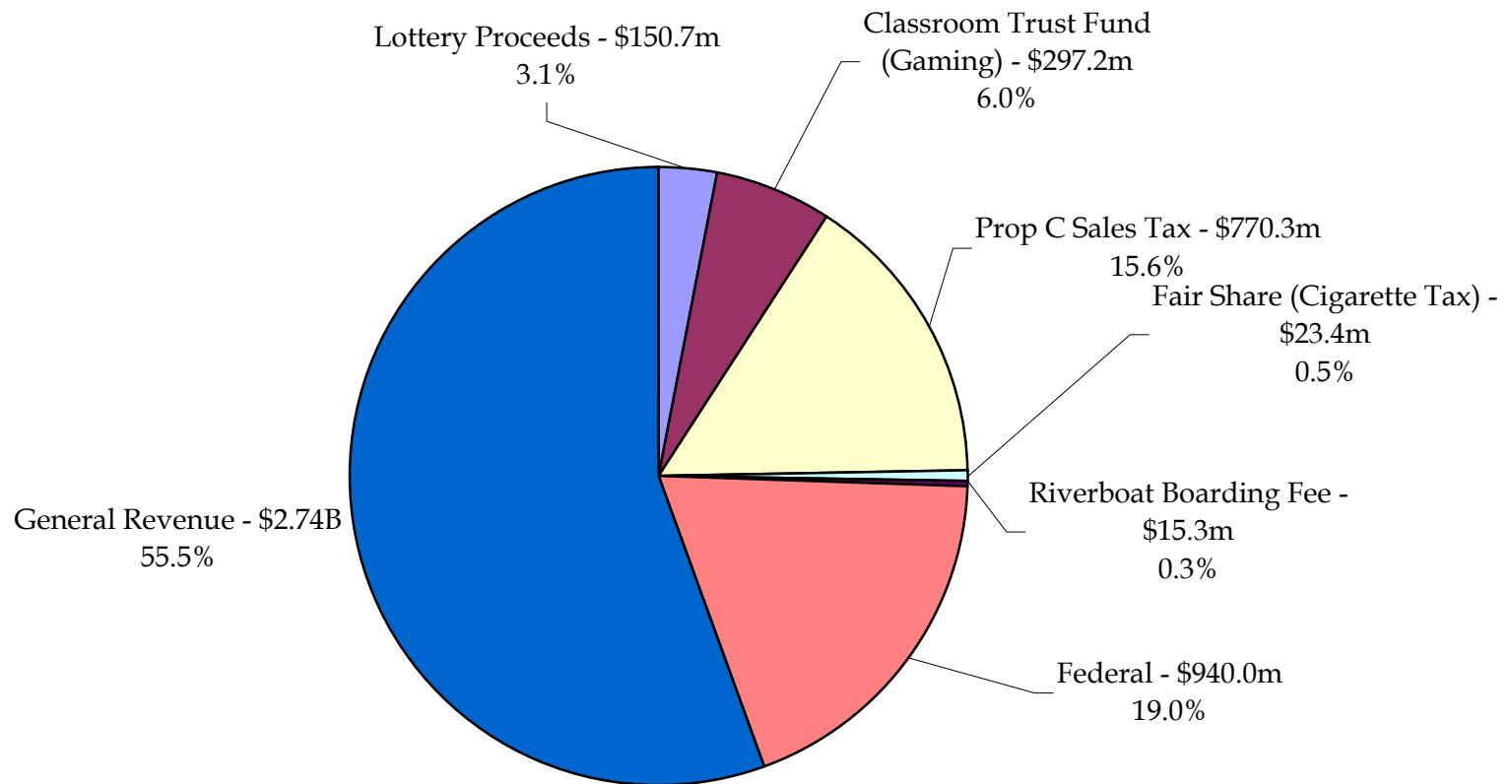
**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION HB 2 Continued**

\$2,600,000	Provides an increase for the Language Acquisition Grant (Federal funds)
(\$4,000,000)	Provides reduced funding for the Comprehensive School Reform Grant (Federal funds)
(\$10,000,000)	Provides reduced funding for the Improving Teacher Quality Grant (Federal funds)
(\$7,500,000)	Provides reduced funding for the Title V, Part A grant (Federal funds)
(\$7,722,366)	Provides reduced funding for the New Technology grant (Federal funds)

**FY 2007**  
**Foundation Program Appropriations by Category**  
**\$3,088,729,809**



**FY 2007**  
**Appropriations for Elementary and Secondary Education**  
**by Major Fund Source**  
**\$4,936,784,416**



# **MAJOR OPERATING BUDGET CHANGES FOR FY 2007**

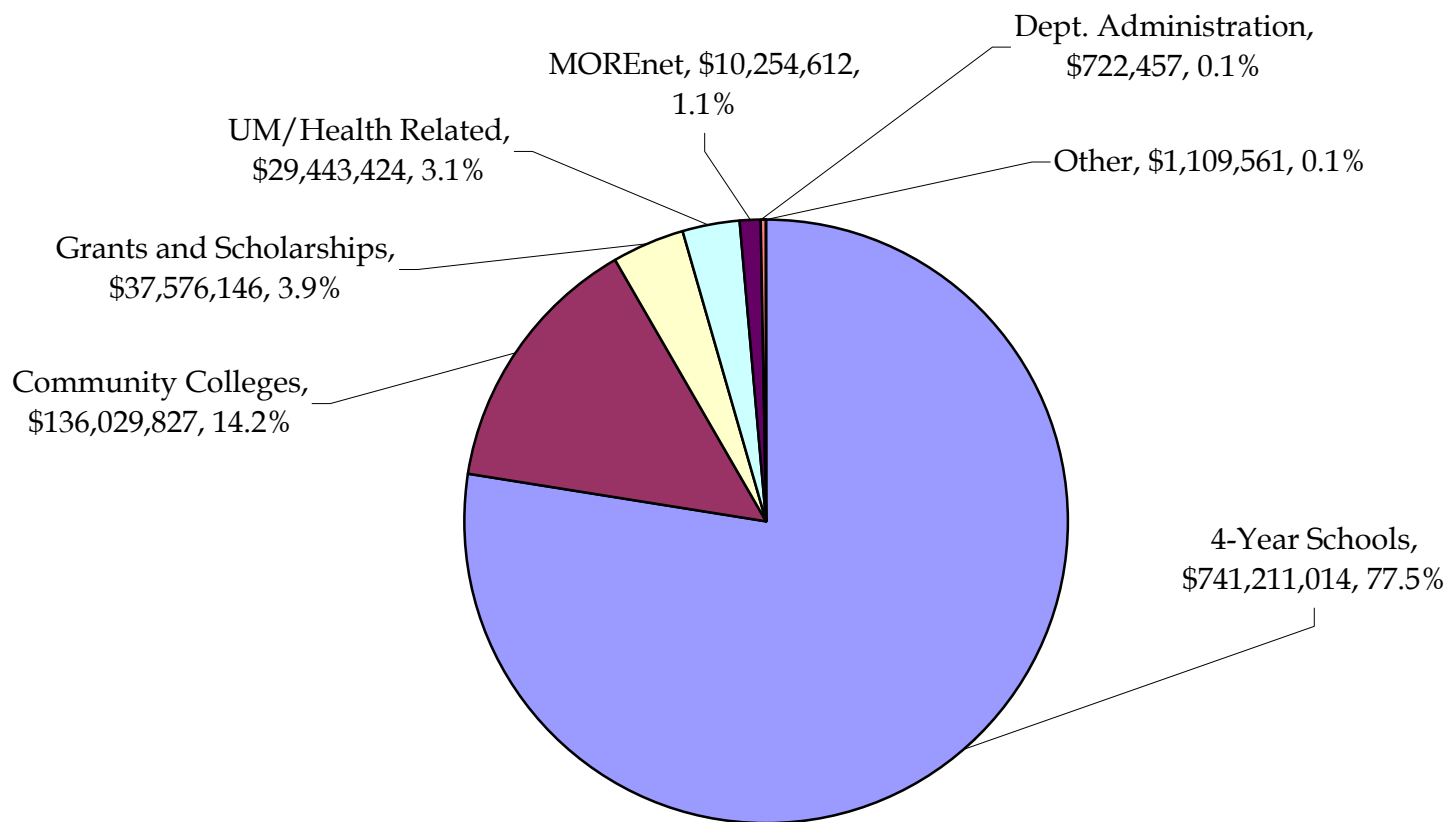
## **HB 1003 – HIGHER EDUCATION**

<b><u>Fund</u></b>	<b><u>FY 2006 Appropriation</u></b>	<b><u>FY 2007 After Veto</u></b>	<b><u>Percentage Change</u></b>
<b>GR</b>	<b>\$855,961,813</b>	<b>\$879,356,731</b>	<b>2.7%</b>
<b>FED</b>	<b>6,247,638</b>	<b>6,468,111</b>	<b>3.5%</b>
<b>OTHER</b>	<b><u>183,805,883</u></b>	<b><u>182,792,028</u></b>	<b><u>(0.6%)</u></b>
<b>TOTAL</b>	<b>\$1,046,015,334</b>	<b>\$1,068,616,870</b>	<b>2.2%</b>
 <b>F.T.E.</b>	 <b>89.73</b>	 <b>75.92</b>	 <b>(15.4%)</b>

### **Major Changes**

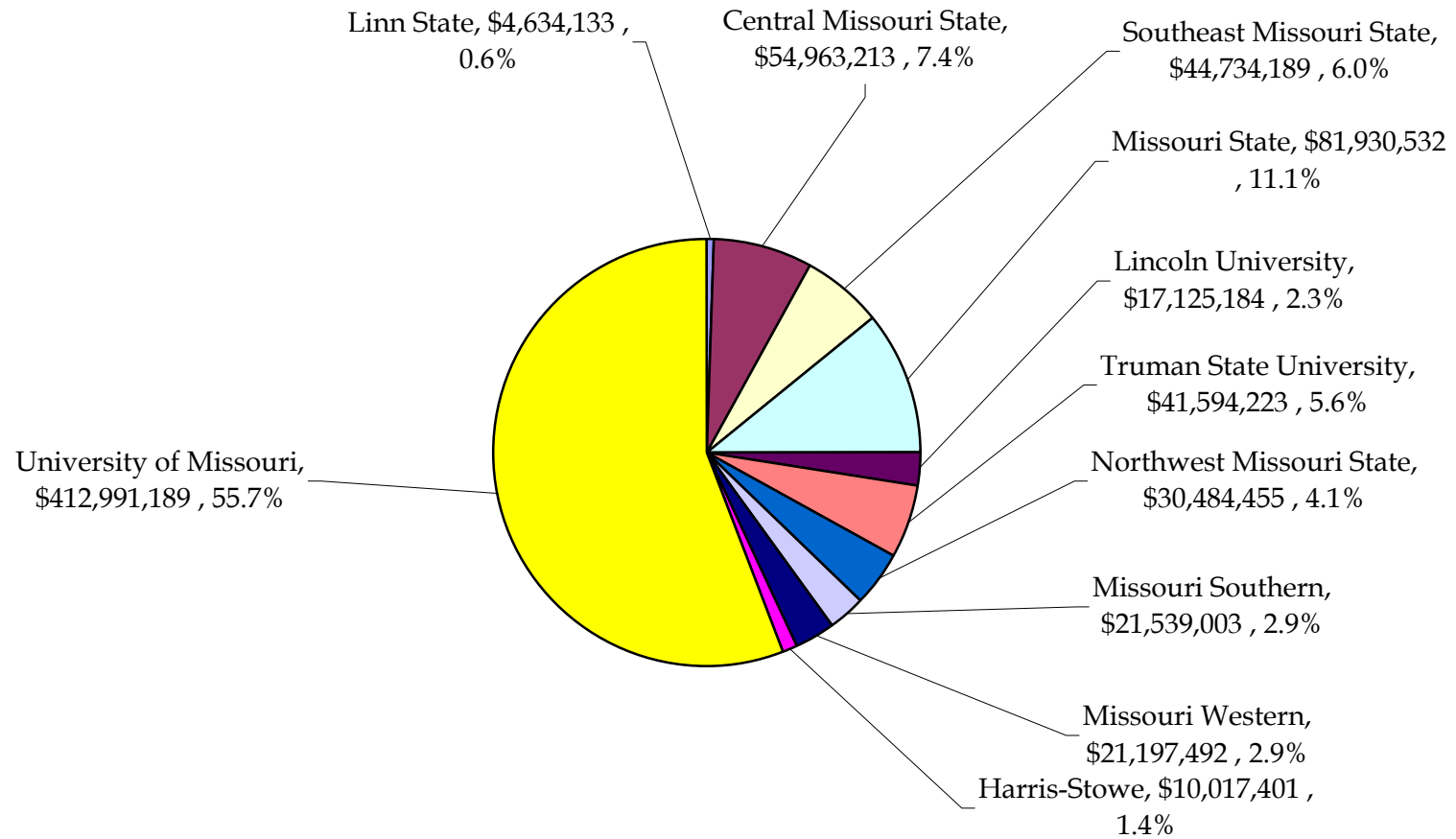
\$109,989	Provides for a 4% cost of living increase for state employees (all funds)
\$770,582	Provides an increase to the Missouri College Guarantee Scholarship Program
\$1,529,418	Provides an increase to the Gallagher Grant Program
\$2,666,761	Provides a 2% increase for Community Colleges
\$14,447,822	Provides a 2% increase to Linn State and the Four-Year Universities
\$25,000	Provides funding for an Intergenerational Day Care Pilot Program at Moberly Area Community College
\$2,950,000	Provides an increase to the University of Missouri for an Ethics Institute at UMSL, an Anesthesiologist Assistant Program at UMKC, and campus equity adjustments
(\$100,000)	Provides for a reduction at UMKC
\$101,531	Provides a 1% increase for MOREnet
\$285,000	Provides for an increase to the Missouri Rehabilitation Center
\$189,220	Provides an increase to the State Historical Society

**FY 2007  
HIGHER EDUCATION  
General Revenue and Lottery Appropriations  
\$956,347,041**





**FY 2007**  
**4-Year College and University State Appropriations**  
**\$741,211,014**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

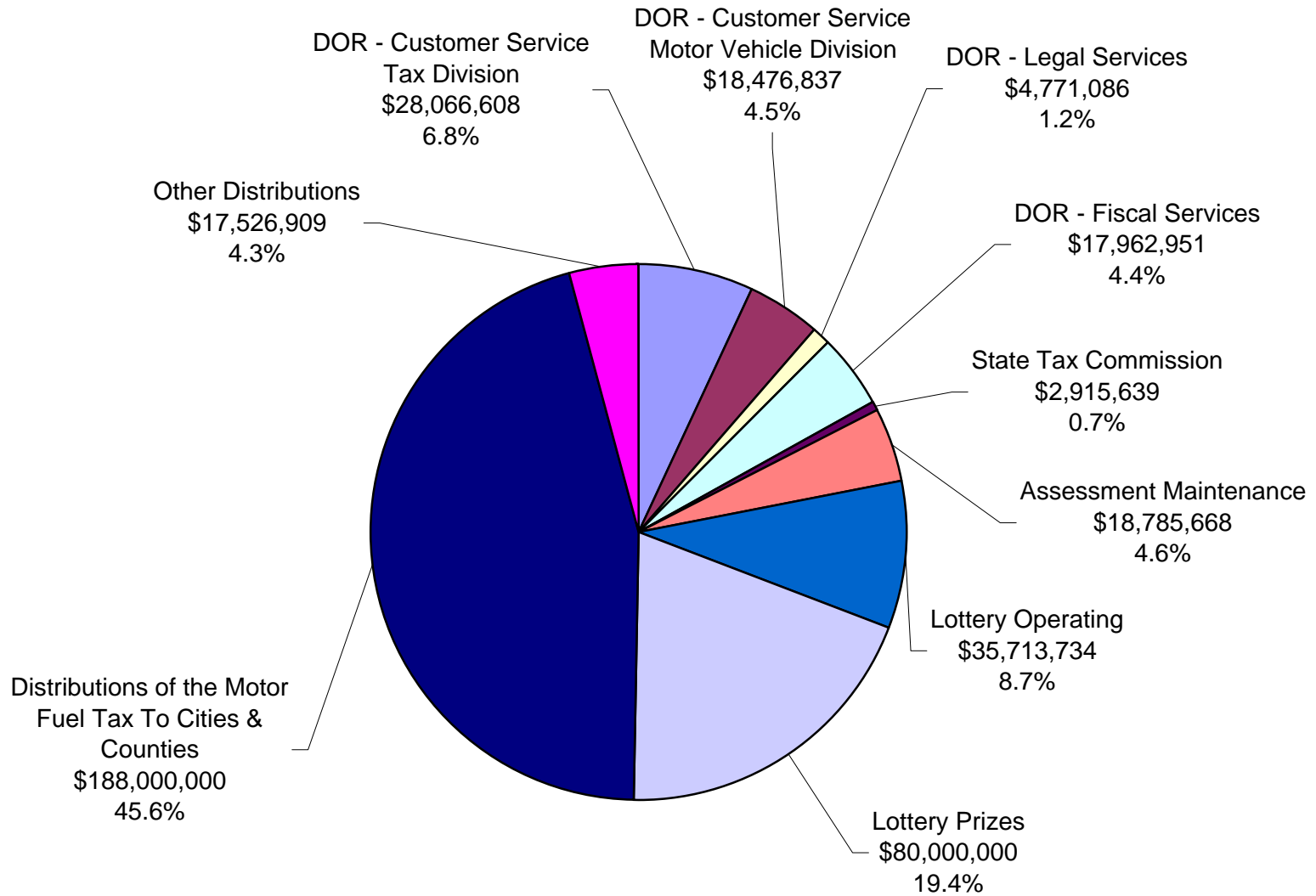
### HB 1004 – DEPT. OF REVENUE

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$95,788,938	\$85,437,324	(10.8%)
FED	7,644,994	6,404,905	(16.2%)
OTHER	<u>324,789,987</u>	<u>320,377,203</u>	<u>(1.4%)</u>
TOTAL	\$428,223,919	\$412,219,432	(3.7%)
 F.T.E.	 1,794.76	 1,629.16	 (9.2%)

#### Major Changes

\$2,072,739	Provides for a 4% COLA for all state employees
\$2,955,913	Provides General Revenue funding to fully fund the Homestead Preservation Tax Credit
\$306,319	Provides General Revenue funding for the postage rate increase
\$103,740	Provides General Revenue funding for digital postage meters. The Postal Service mandated that only digital postage meters can be used after December 31, 2006
\$151,000	Provides General Revenue funding for the State Tax Commission for 2.00 FTE for a Performance Audit Team, 1.00 FTE for a Statistician, and a study to help develop standards for a sales ratio study
\$25,000	Provides General Revenue funding for the State Tax Commission to contact with the University of Missouri to a new formula to be used in the bi-annual calculation of the productive capability of agricultural and horticultural land.
(\$725,000)	Provides for a reduction in Lottery spending including a reduction of \$600,000 to Lottery advertising

**FY 2007 Department of Revenue by Division**  
**\$412,219,432**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

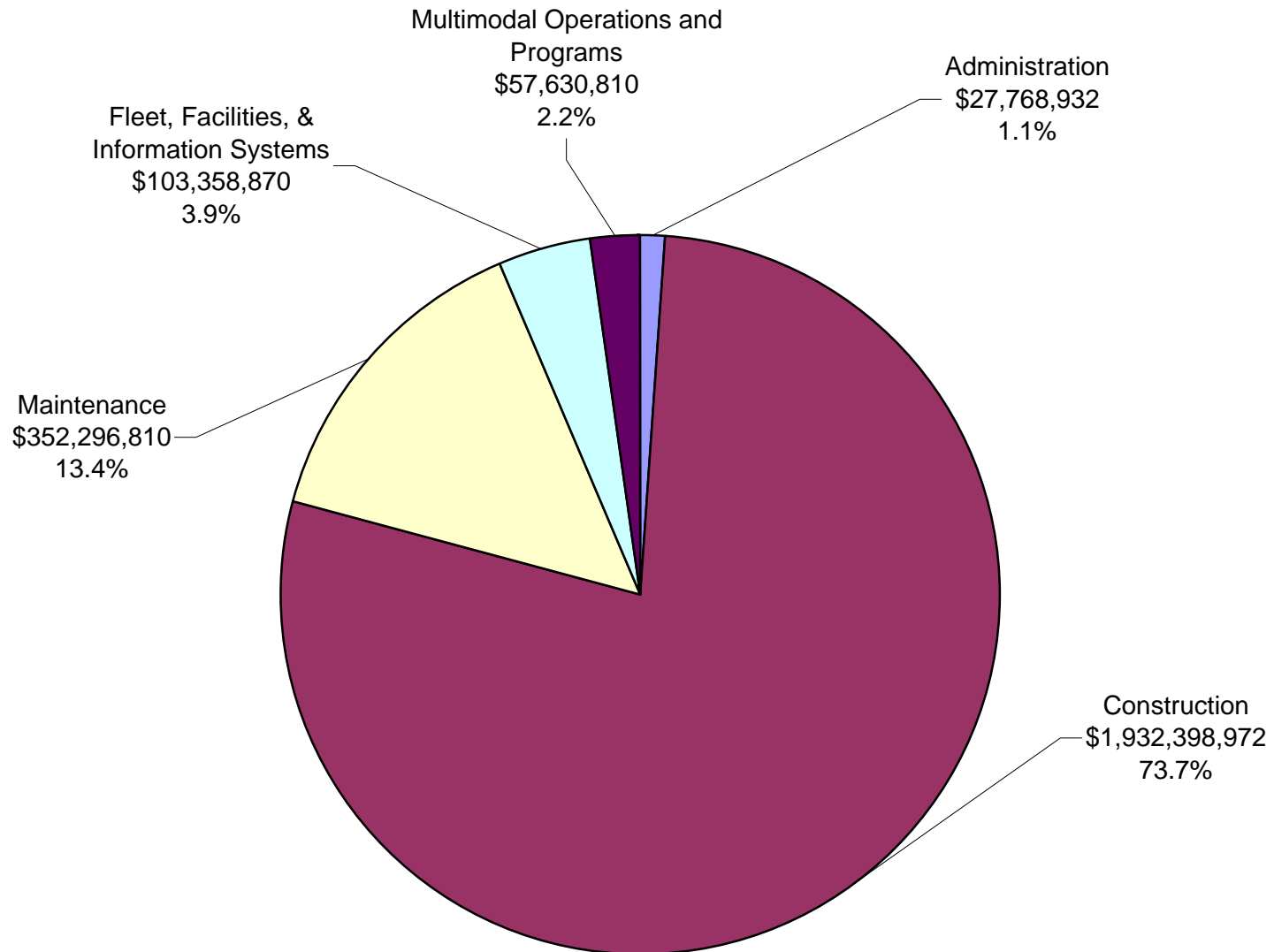
### HB 1004 – DEPT. OF TRANSPORTATION

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$11,489,115	\$11,859,321	3.2%
FED	57,431,590	53,751,383	(6.4%)
OTHER	<u>1,656,709,297</u>	<u>2,555,849,644</u>	<u>54.3%</u>
TOTAL	\$1,725,630,002	\$2,621,460,348	51.9%
 F.T.E.	 6,990.20	 7,005.95	 0.2%

#### Major Changes

\$10,550,208	Provides funding for a 4% COLA for all state employees
\$399,762,000	Increased funding to the Construction program from increased federal funds and the passage of Amendment 3
\$382,000,000	Increase to the Construction program from bond proceeds
\$98,530,967	Additional funding needed to cover the increased debt service on \$1.6 billion in outstanding bonds, including \$733 million of Amendment 3 bonds outstanding
\$5,181,022	Increase funding to the Maintenance program
\$1,000,000	Increased General Revenue funding to bail out the State Transportation Fund
\$400,000	Provides General Revenue funding for increased costs associated with Amtrak
\$250,000	Provides General Revenue funding to offset a portion of lost federal funds for the Springfield Transit Authority
\$250,000	Provides funding for rural transit
(\$25,000)	Governor vetoed funding for the Mississippi River Parkway Commission because it was funded from the State Highway and Transportation Department Fund

**FY2007 Department of Transportation by Division**  
**\$2,621,460,348**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

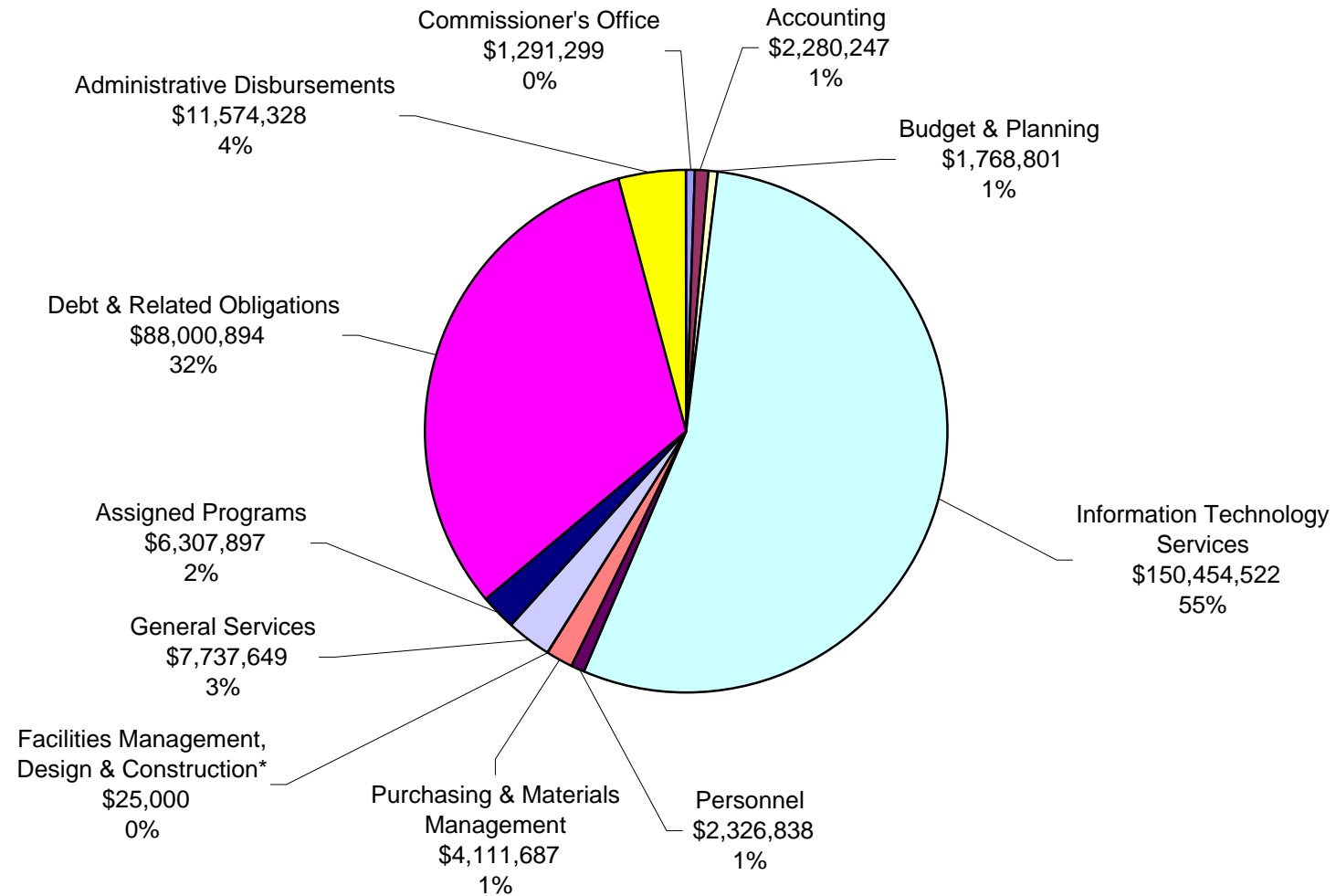
### HB 1005 – OFFICE OF ADMINISTRATION

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$146,838,265	\$170,700,804	16.3%
FED	16,116,423	76,306,928	373.5%
OTHER	<u>9,157,399</u>	<u>28,871,430</u>	<u>215.3%</u>
TOTAL	\$172,112,087	\$275,879,162	60.3%
 F.T.E.	 829.50	 1833.05	 121.0%

#### Major Changes

\$3,079,720	Provides for a 4% COLA for all state employees
\$119,318	Provides funding for 3.00 new FTE for the Division of Accounting to do systematic, state-wide expenditure reviews
\$127,950,975	Transfers core IT expenses from other departments as part of consolidation
(\$5,848,755)	Reduces state IT GR budget due to anticipated gains in efficiency (\$5,604,673 GR reduction in consolidated IT core and \$244,082 GR reduction in OA internal IT core)
\$1,036,786	Increases Federal fund authority for Dept. of Mental Health to continue and expand the CIMOR system
\$3,419,384	Provides funding for motor vehicle and driver license inventory costs for the Dept. of Revenue
\$4,200,000	Provides funding for Dept. of Revenue IT data matching system
\$2,167,213	Transfers responsibility for facilities management for Dept. of Economic Development and Dept. of Labor and Industrial Relations to Div. of Facilities Management, Design & Construction
\$1,321,007	Provides funding for facilities management of recently acquired state facilities in St. Louis
\$2,000,000	Increases GR transfer to and expenditure authority from Legal Expense Fund
\$30,014,488	Increases debt service payments on Board of Public Buildings debt
\$4,841,071	Increases debt service payments for lease/purchase agreements
(\$38,500,000)	Reduces transfer to GR from tobacco settlement proceeds due to 25% being deposited into the Life Sciences Research Trust Fund

# **FY 2007 Office of Administration by Division** **\$275,879,162**



\*Operating expenses for the Div. of Facilities Management, Design Construction are located in HB 1013.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1005 – EMPLOYEE BENEFITS

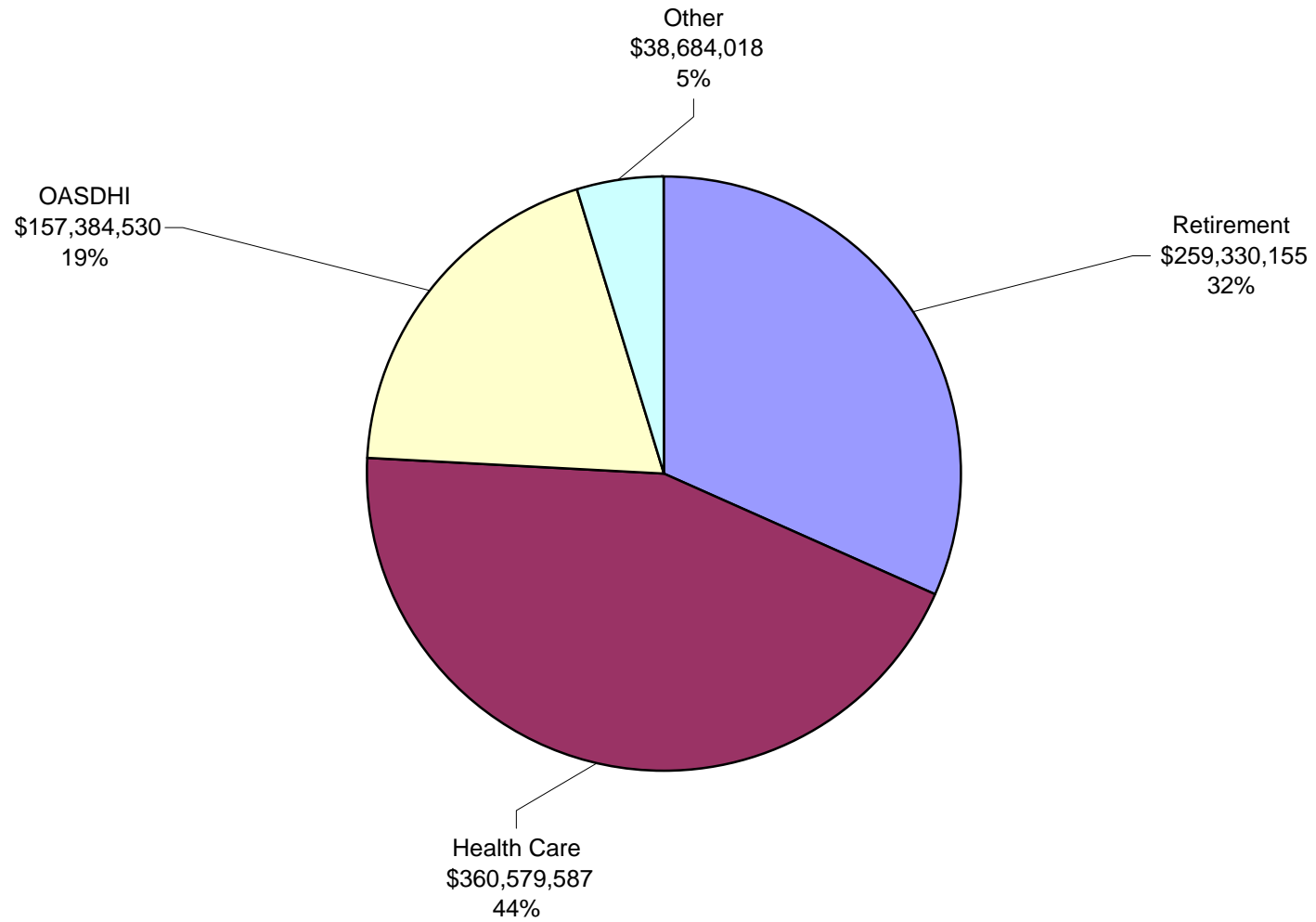
<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$475,323,434	\$510,411,801	7.4%
FED	147,578,286	160,837,877	9.0%
OTHER	<u>141,568,823</u>	<u>144,728,612</u>	<u>2.2%</u>
TOTAL	\$764,470,543	\$815,978,290	6.7%

#### Major Changes

\$6,022,168	Provides for increased Social Security tax costs
\$11,217,243	Provides for increased costs to provide retirement benefits (including state contribution to the Public School Retirement System)
\$369,622	Provides for increased deferred compensation costs
\$38,460,263	Provides for increased costs of providing health insurance for employees and retirees
\$135,917	Provides for increased costs in unemployment insurance



**FY 2007 Employee Benefits**  
**\$815,978,290**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1006 – DEPT. OF AGRICULTURE

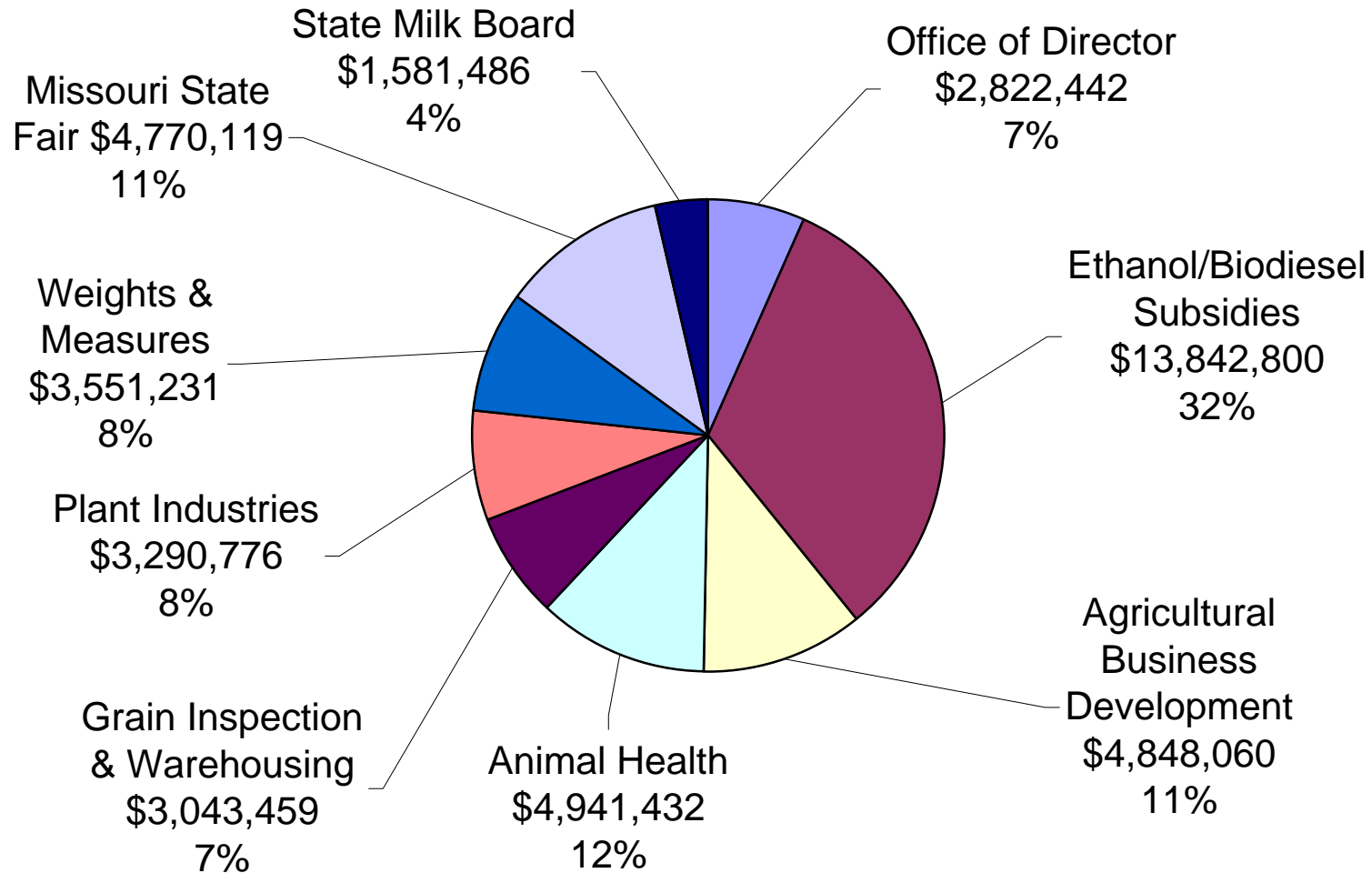
<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$16,484,499	\$22,832,655	38.5%
FED	5,443,995	4,933,906	(9.3%)
OTHER	<u>15,695,405</u>	<u>14,925,244</u>	<u>(4.9%)</u>
TOTAL	\$37,623,899	\$42,691,805	13.5%
 F.T.E.	 423.05	 413.30	 (2.3%)

#### Major Changes

\$531,846	Provides for a 4% COLA to all state employees
\$625,000	Provides for additional General Revenue for Ethanol subsidies (\$8.6 million total)
\$5,250,000	Provides General Revenue for Biodiesel subsidies
\$500,000	Provides Federal & Other Funds for Odor Abatement projects
\$475,000	Provides General Revenue for boll weevil eradication efforts at \$1.00/acre of cotton in southeast Missouri
\$23,229	Provides one-time General Revenue to recertify some of the Division of Weights & Measures primary weights
\$145,000	Provides one-time General Revenue for a mass comparator in the Division of Weights & Measures
(\$716,477)	Provides for a reduction in excess Federal authority in the Division of Weights & Measures
(\$1,061,877)	Provides for a core reallocation of 11.50 FTE and related Expense and Equipment for IT Consolidation to the Office of Administration
(\$1,100,000)	Provides for a reduction in excess authority in the Petroleum Violation Escrow Fund for Ethanol subsidies

# FY 2007 Department of Agriculture

## \$42,691,805



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1006 – DEPT. OF NATURAL RESOURCES

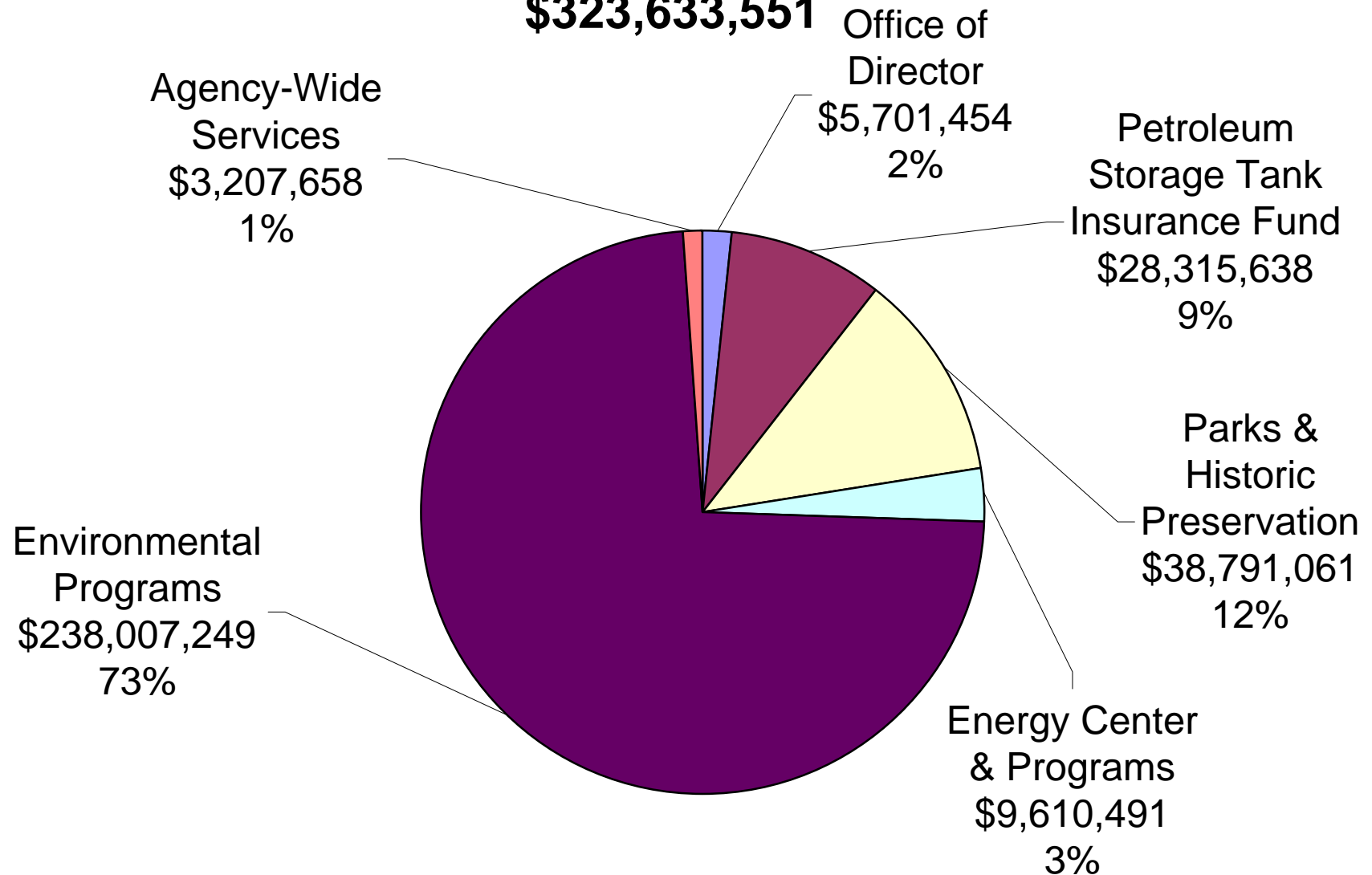
<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$6,641,165	\$10,047,582	51.3%
FED	44,618,355	42,796,822	(4.1%)
OTHER	<u>275,700,354</u>	<u>270,789,147</u>	<u>(1.8%)</u>
TOTAL	\$326,959,874	\$323,633,551	(1.0%)
 F.T.E.	 1,945.88	 1,835.44	 (5.6%)

#### Major Changes

\$2,568,732	Provides for a 4% COLA for all state employees
\$56,035	Provides for additional 1-step repositioning for State Park Rangers
\$258,243	Provides for additional health and retirement benefits to Soil & Water Conservation District employees from Soil & Water Sales Tax
\$3,006,219	Provides for additional General Revenue for improvements in permitting and outreach efforts in the Water Resources, Field Services, and Water Protection Programs
\$648,575	Provides for the 1 <sup>st</sup> year of a 3-year payment of General Revenue for the state's share of the Superfund cleanup site in Jasper County
\$50,001	Provides for additional General Revenue and Federal Funds for a historical exhibit and education materials emphasizing the work and accomplishments of African-Americans during the Civil War era
\$450,000	Provides for additional General Revenue transferred to the Historic Preservation Revolving Fund as part of the Athlete and Entertainer's Tax (\$550,000 total core)
(\$362,108)	Provides for a reduction of 14.47 FTE in State Parks as part of a department-initiated effort to reduce personnel costs as a percent of the overall State Parks budget
(\$9,231,619)	Provides for a core reallocation of 86.56 FTE and related Expense and Equipment for IT Consolidation to the Office of Administration

# FY 2007 Department of Natural Resources

**\$323,633,551**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1006 – DEPT. OF CONSERVATION

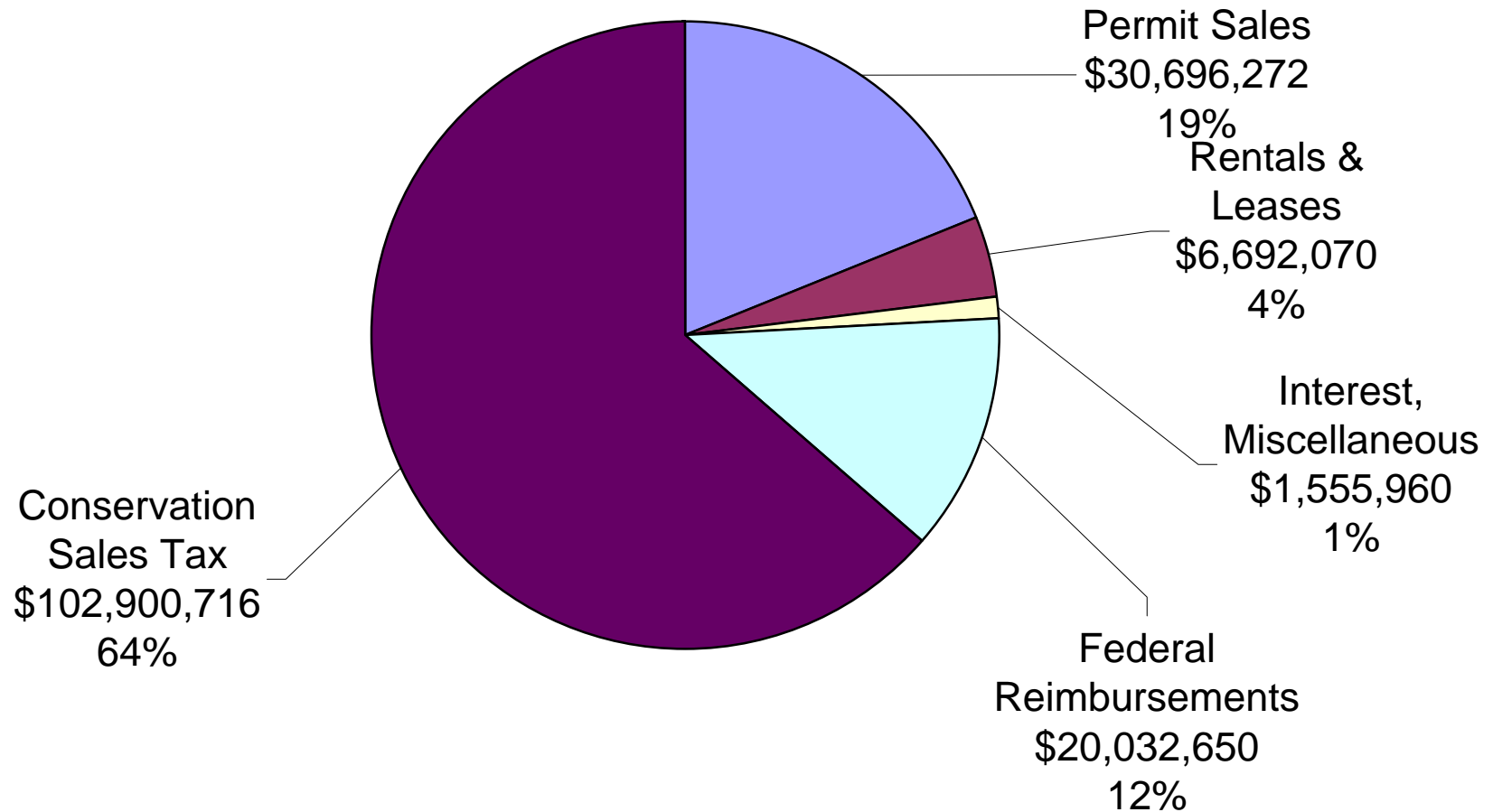
<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$0	\$0	0%
FED	0	0	0%
OTHER	<u>137,196,601</u>	<u>141,048,873</u>	<u>2.4%</u>
TOTAL	\$137,196,601	\$141,048,873	2.4%
F.T.E.	1,871.61	1,871.61	0%

#### Major Changes

\$2,827,272	Provides funding for a 4% COLA for all state employees
\$625,000	Provides funding for an increase in health insurance costs
\$400,000	Provides additional funding for the Sports Fish Restoration Program, including inflationary cost increases at Conservation hatcheries and fishing areas

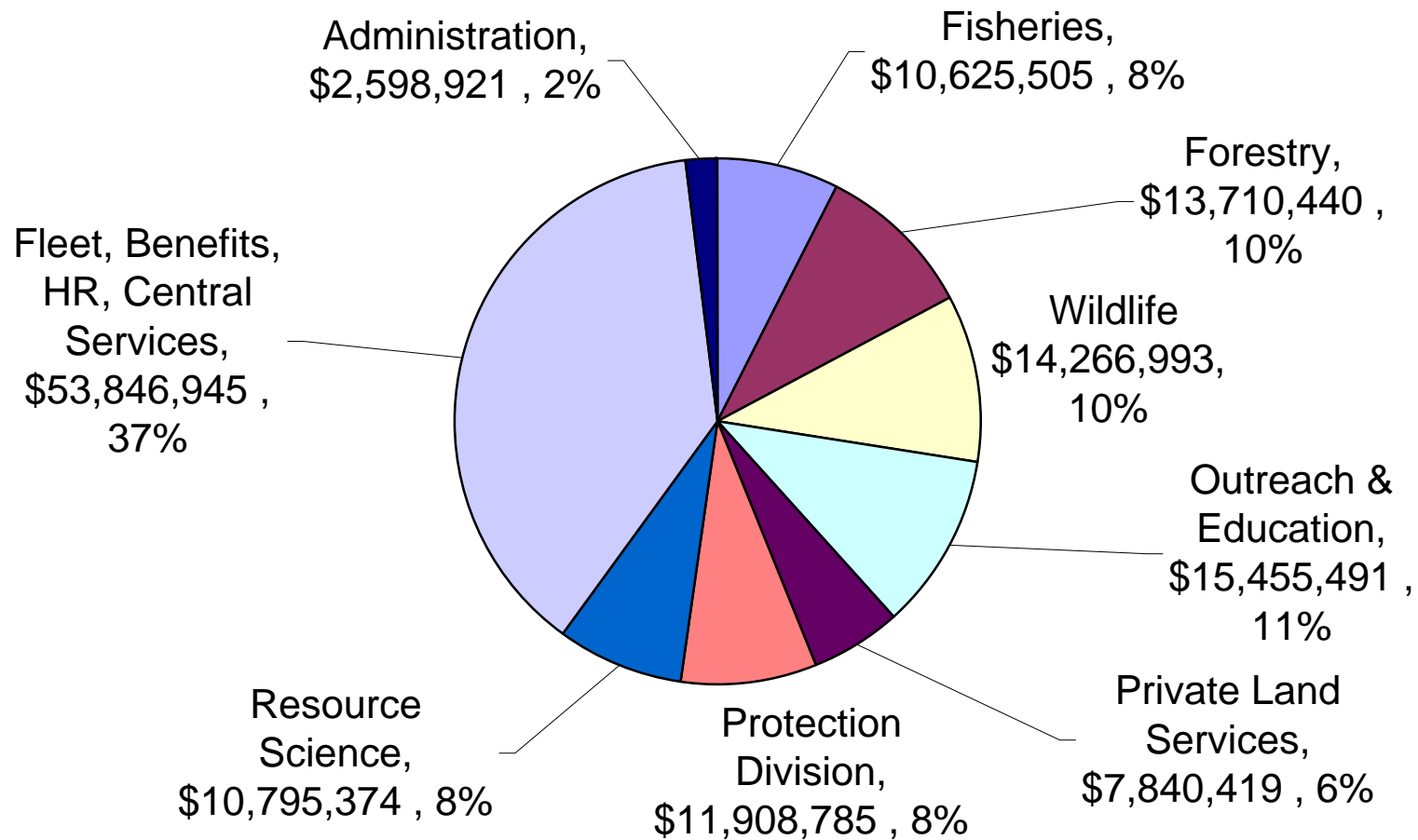
# FY 2007 Conservation Commission Fund

Estimated Revenue: \$161,877,671



# FY 2007 Conservation Operating Budget

## \$141,048,873





## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

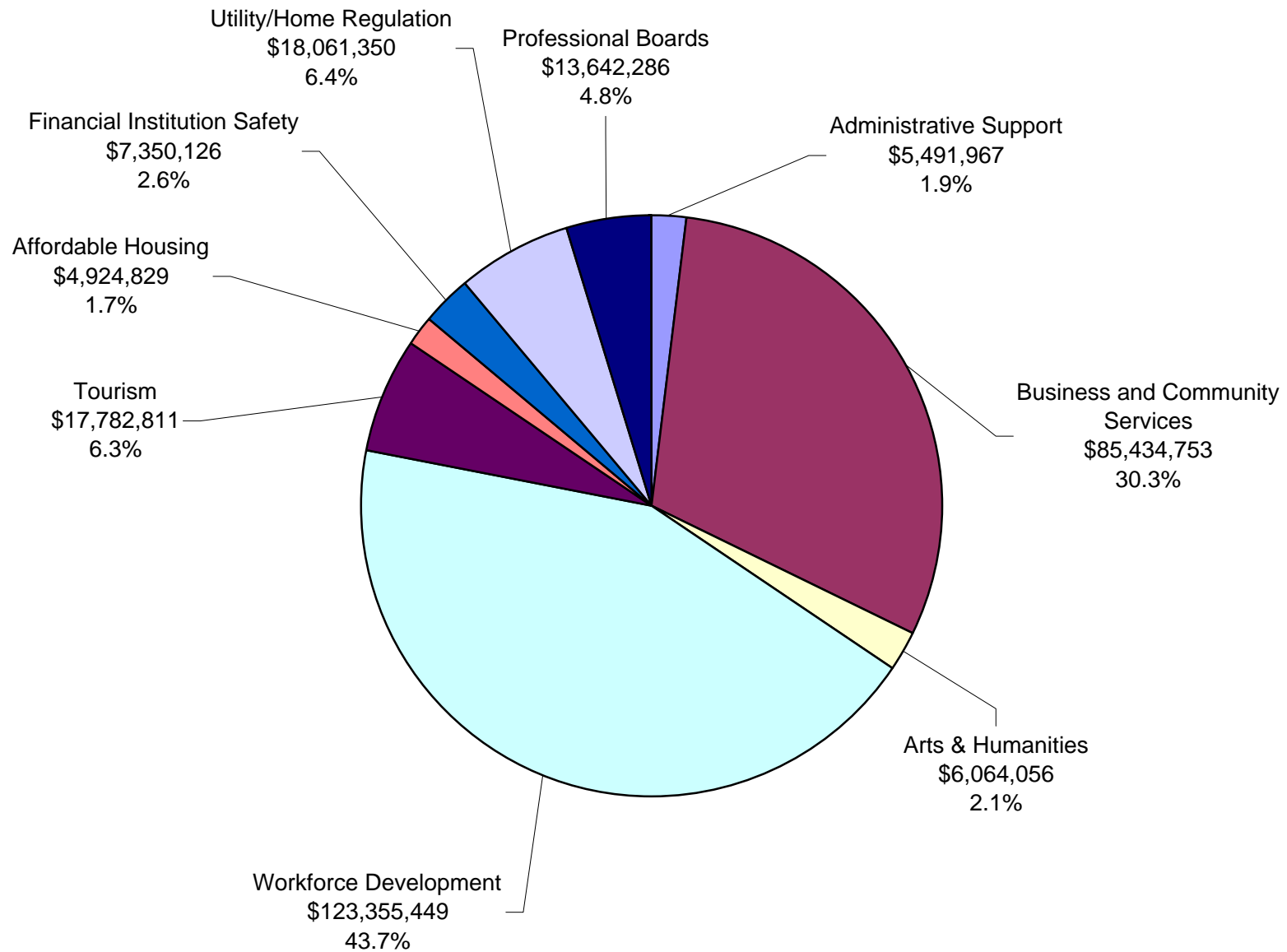
### HB 1007 – DEPT. OF ECONOMIC DEVELOPMENT

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$35,509,307	\$43,885,380	23.6%
FED	163,032,156	158,714,384	(2.6%)
OTHER	<u>73,135,407</u>	<u>79,507,863</u>	<u>8.7%</u>
TOTAL	\$271,676,870	\$282,107,627	3.8%
 F.T.E.	 1,432.54	 1,321.37	 (7.8%)

#### Major Changes

\$2,130,508	Provides for a 4% COLA for all state employees
\$150,000	Funds new innovation center in Kansas City
\$150,000	Funds new innovation center in Springfield
\$275,000	Increases funding to Missouri Manufacturing Extension Partnership
\$1,187,745	Provides for increase in projected increment created through state tax increment financing projects including two new projects in Kansas City
\$5,000,000	Increases funding for Jobs Retention Training Program
\$2,700,000	Provides for additional General Revenue transferred to the Missouri Cultural Trust Fund as part of the Athlete and Entertainer's Tax (\$3,300,000 total core)
\$450,000	Provides for additional General Revenue transferred to the Missouri Humanities Trust Fund as part of the Athlete and Entertainer's Tax (\$550,000 total core)
\$450,000	Provides for additional General Revenue transferred to the Public Broadcasting Special Fund as part of the Athlete and Entertainer's Tax (\$550,000 total core)
\$500,000	Increases expenditure authority for public television and radio grants
\$350,000	Earmarks money for new Guard-At-Home program to provide workforce development assistance to military spouses
\$4,535,929	Increases GR transfer to Tourism Supplemental Revenue fund and corresponding increase in expenditure authority for Division of Tourism

**FY 2007 Department of Economic Development Funding by Division**  
**\$282,107,627**



# **MAJOR OPERATING BUDGET CHANGES FOR FY 2007**

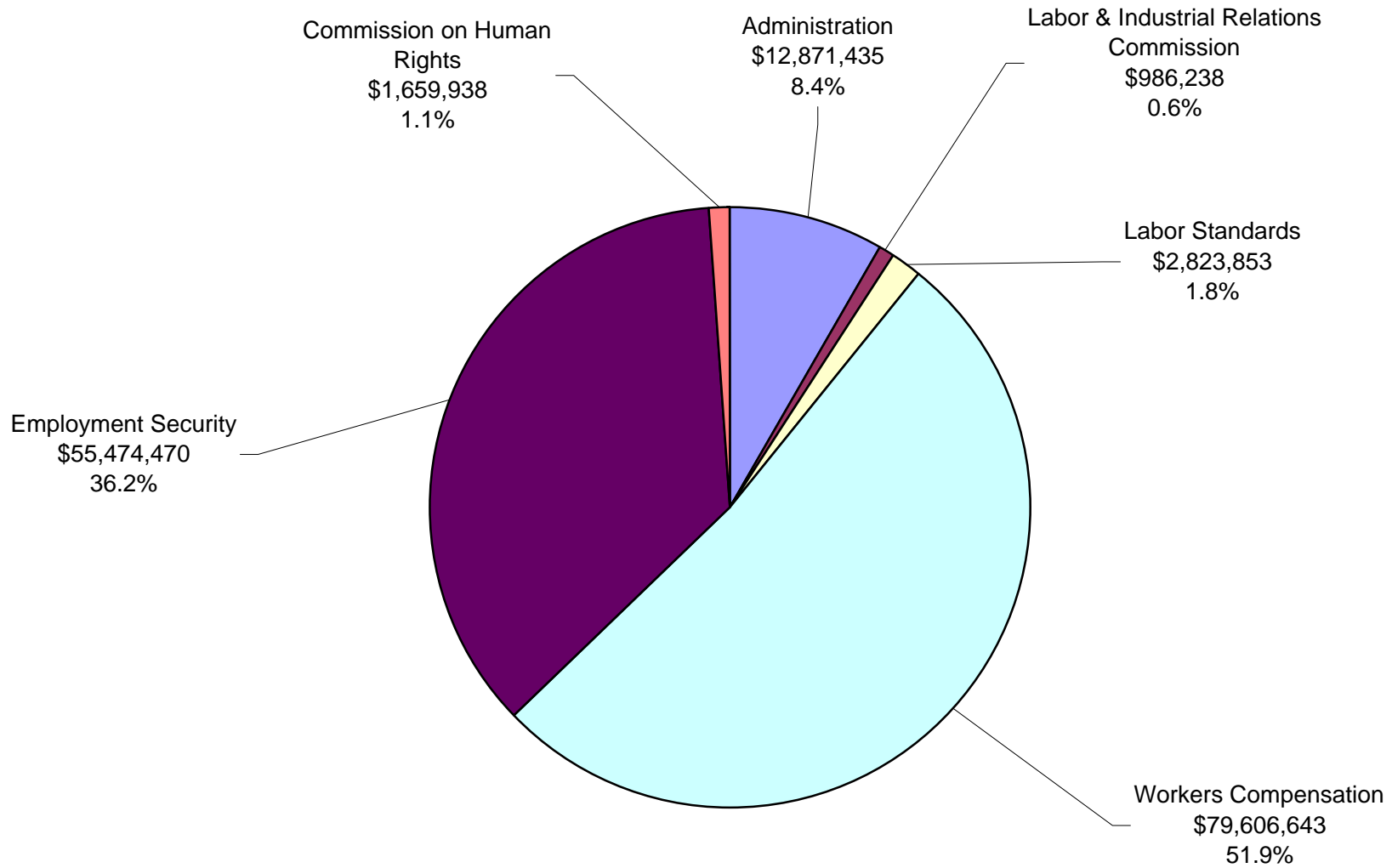
## **HB 1007 – DEPT. OF LABOR & INDUSTRIAL RELATIONS**

<b><u>Fund</u></b>	<b><u>FY 2006 Appropriation</u></b>	<b><u>FY 2007 After Veto</u></b>	<b><u>Percentage Change</u></b>
<b>GR</b>	<b>\$2,490,016</b>	<b>\$2,462,141</b>	<b>(1.1%)</b>
<b>FED</b>	<b>60,408,140</b>	<b>55,793,665</b>	<b>(7.6%)</b>
<b>OTHER</b>	<b><u>102,476,778</u></b>	<b><u>95,166,771</u></b>	<b><u>(7.1%)</u></b>
<b>TOTAL</b>	<b>\$165,374,934</b>	<b>\$153,422,577</b>	<b>(7.2%)</b>
 <b>F.T.E.</b>	 <b>1,175.41</b>	 <b>1,049.91</b>	 <b>(10.7%)</b>

### **Major Changes**

\$1,677,570	Provides for a 4% COLA for all state employees
\$138,100	Provides for purchase of nine vehicles to replace older cars in DOLIR fleet
\$192,416	Provides funding for 5.00 new Wage & Hour inspectors

**FY 2007 Department of Labor & Industrial Relations by Division**  
**\$153,422,577**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

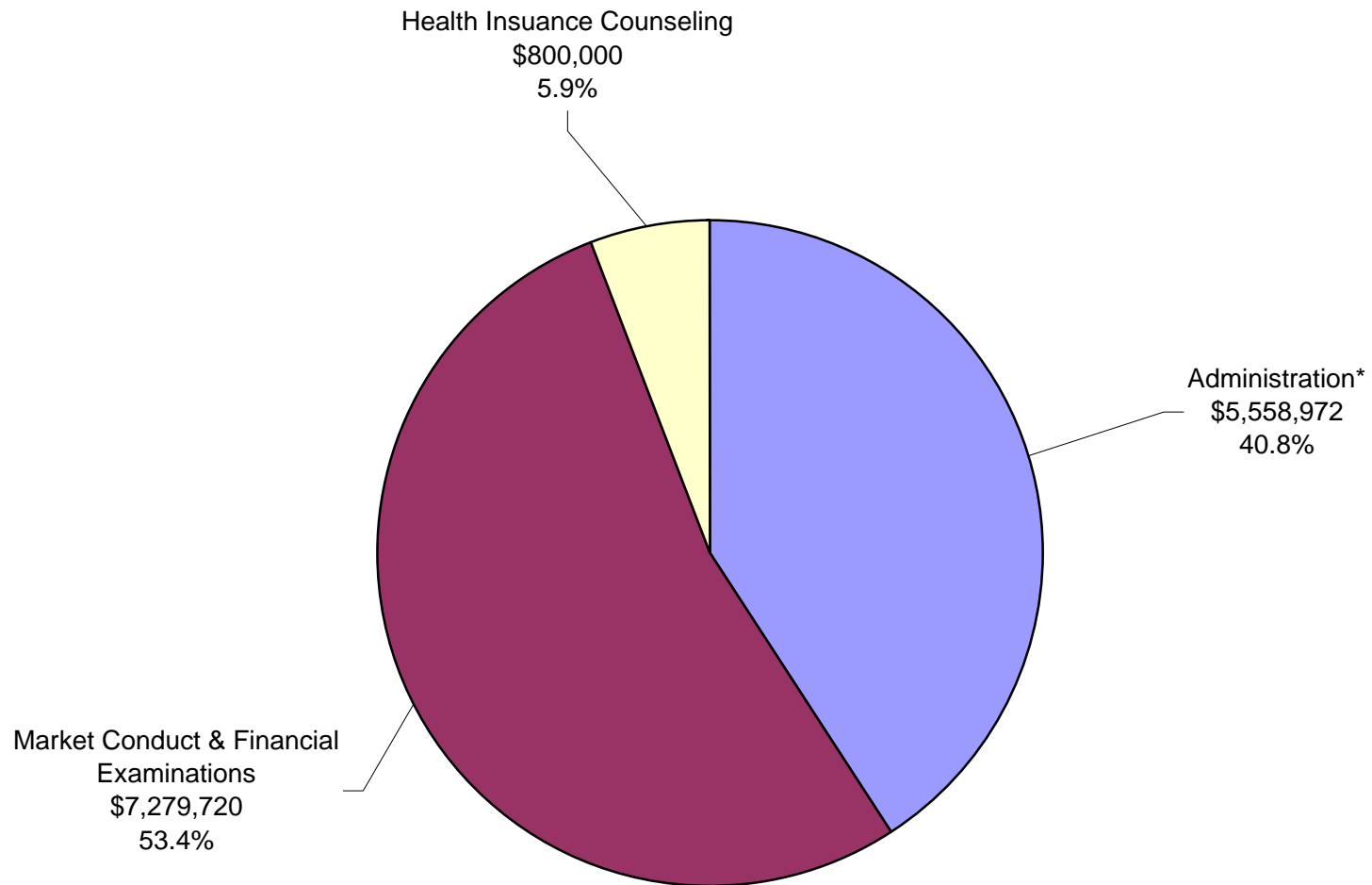
### HB 1007 – DEPT. OF INSURANCE

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$0	\$0	0%
FED	600,000	600,000	0%
OTHER	<u>13,848,508</u>	<u>13,038,692</u>	<u>(5.8%)</u>
TOTAL	\$14,448,508	\$13,638,692	(5.6%)
 F.T.E.	 217.50	 202.50	 (6.9%)

#### Major Changes

\$380,523	Provides for a 4% COLA for all state employees
(\$67,584)	Reduces Department Administration due to consolidation of Consumer Services in Jefferson City (includes 2.00 FTE reduction)
(\$1,068,355)	Transfers IT to Office of Administration IT Services Division

**FY 2007 Department of Insurance**  
**\$13,638,692**



\*Administration includes the Director's Office, Consumer Affairs, and Resource Administration.

## MAJOR OPERATING BUDGET ISSUES FOR FY 2007

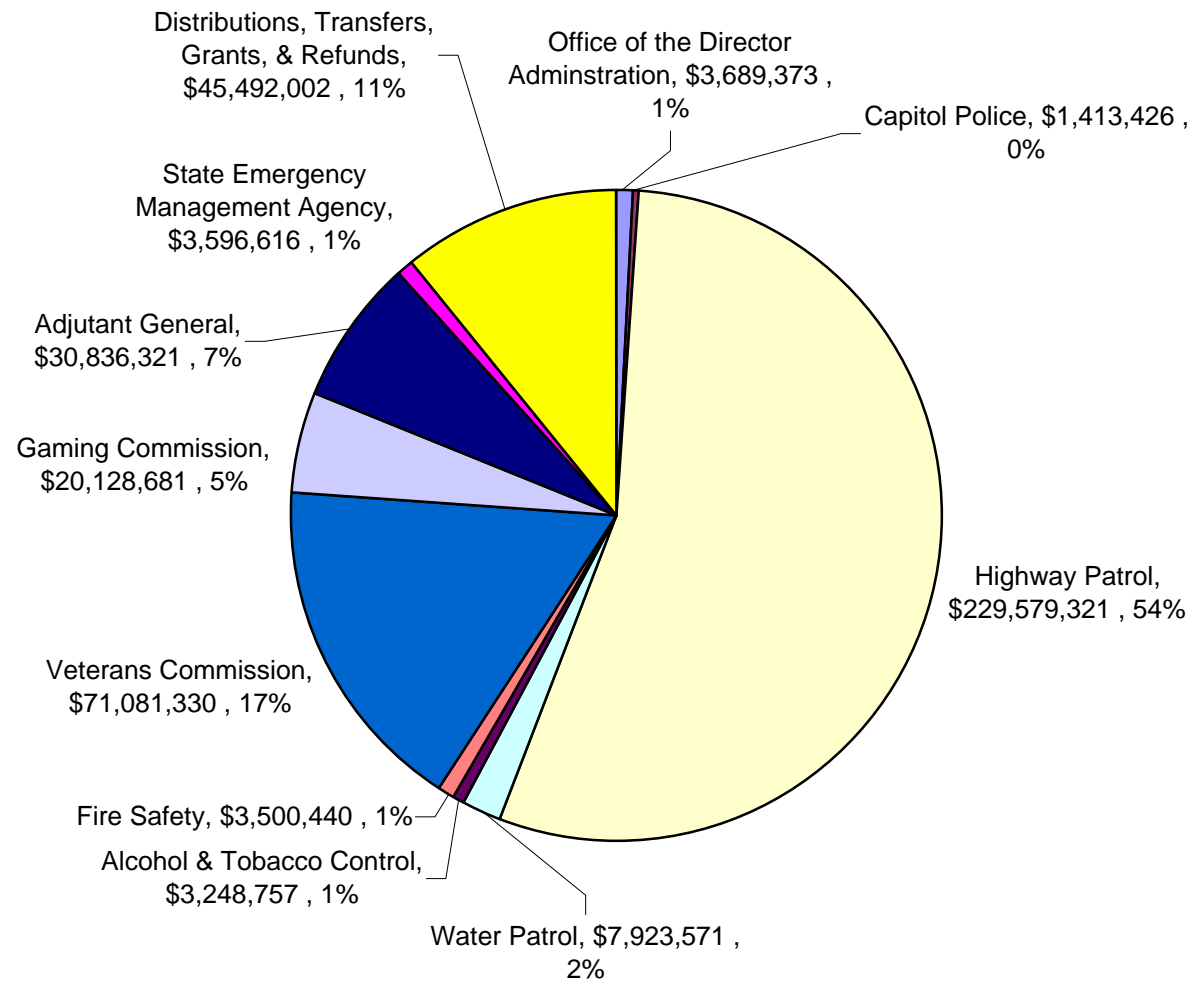
### HB 1008 – DEPT. OF PUBLIC SAFETY

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$64,597,706	\$63,966,596	(.98%)
FED	73,980,467	81,482,031	10.1%
OTHER	<u>248,704,784</u>	<u>275,041,211</u>	<u>10.6%</u>
TOTAL	\$387,282,957	\$421,489,838	8.8%
 F.T.E.	 4,868.36	 4,948.76	 1.6%

#### Major Changes

\$7,112,975	Provides for a 4% COLA for all state employees.
\$1,102,875	Provides for additional salary increases for law enforcement officers and nurses.
\$6,622,107	Provides funding for Phase 3 of the Highway Patrol pay plan for troopers and radio communications employees.
\$625,272	Provides funding for one third of the amount to equalize Water Patrol salaries to that of Highway Patrol salaries.
\$2,434,352	Provides funding for the conversion of the Highway Patrol satellite crime lab in Springfield to a full service crime lab.
\$347,517	Provides funding for 6.50 additional Veterans Service Officers and staff, 1.00 Veterans Ombudsman, and 1.00 support staff.
\$1,523,805	Provides funding for the inflationary increases at the veteran's homes.
\$3,694,429	Provides additional funding for the payment of compensatory time at veterans' homes.
\$1,455,238	Provides funding for the conversion of 20 Commercial Vehicle Operators to Highway Patrol Troopers.
\$250,000	Provides funding for internet sex crimes task forces.
\$586,442	Provides for the conversion of the Southeast Missouri State University crime lab to a Highway Patrol satellite crime lab.
\$202,369	Provides funding to open additional veteran's home beds.

**FY 2007 Department of Public Safety**  
**\$387,282,957**





## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1009 – DEPT. OF CORRECTIONS

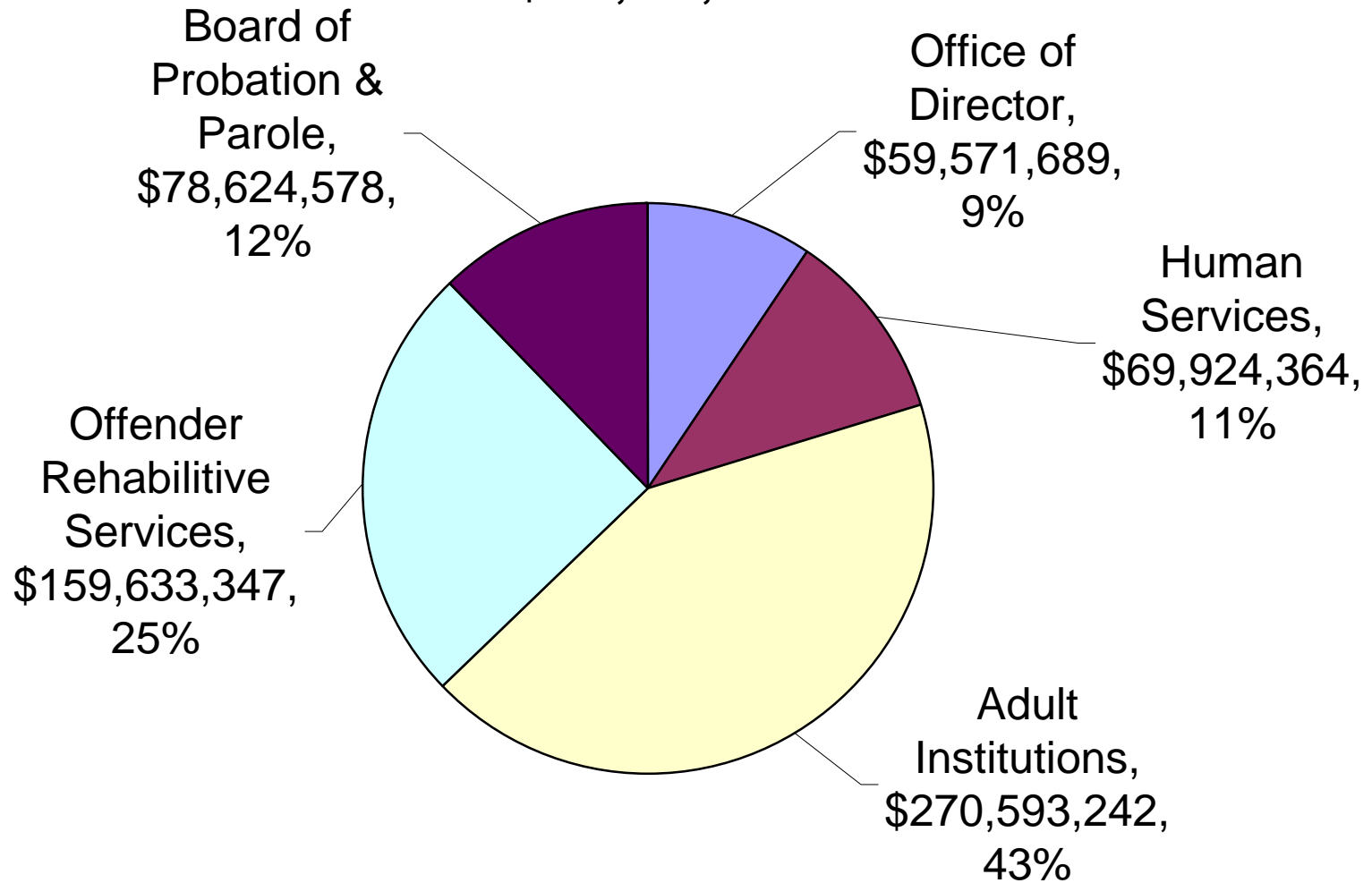
<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$516,768,254	\$586,127,292	13.4%
FED	8,139,981	8,587,041	5.5%
OTHER	<u>42,840,685</u>	<u>43,632,887</u>	<u>1.8%</u>
TOTAL	\$567,748,920	\$638,347,220	12.4%
 F.T.E.	 11,312.01	 11,270.23	 (.4%)

#### Major Changes

\$13,337,770	Provides for a 4% COLA for all state employees.
\$6,163,365	Provides for an additional 4% pay increase for corrections officers and their supervisors and 8% for nurses.
\$8,188,142	Provides for increased costs for fuel and utilities.
\$4,365,881	Provides for additional funding for compensatory time payments.
\$7,538,743	Provides for increased cost for inmate healthcare contract.
\$1,564,513	Provides for the opening of Community Supervision Centers in Hannibal (6 months) and Kennett (4 months).
\$4,100,000	Provides for the increased costs in reimbursements to counties for cost of criminal cases.
\$248,570	Provides for Global Position monitoring for selected sex offenders.
\$1,000,000	Provides for a pilot re-entry project in St. Louis City.
\$109,500	Provides for restitution payments for those wrongly convicted.

## FY 2007 Department of Corrections

**\$638,347,220**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

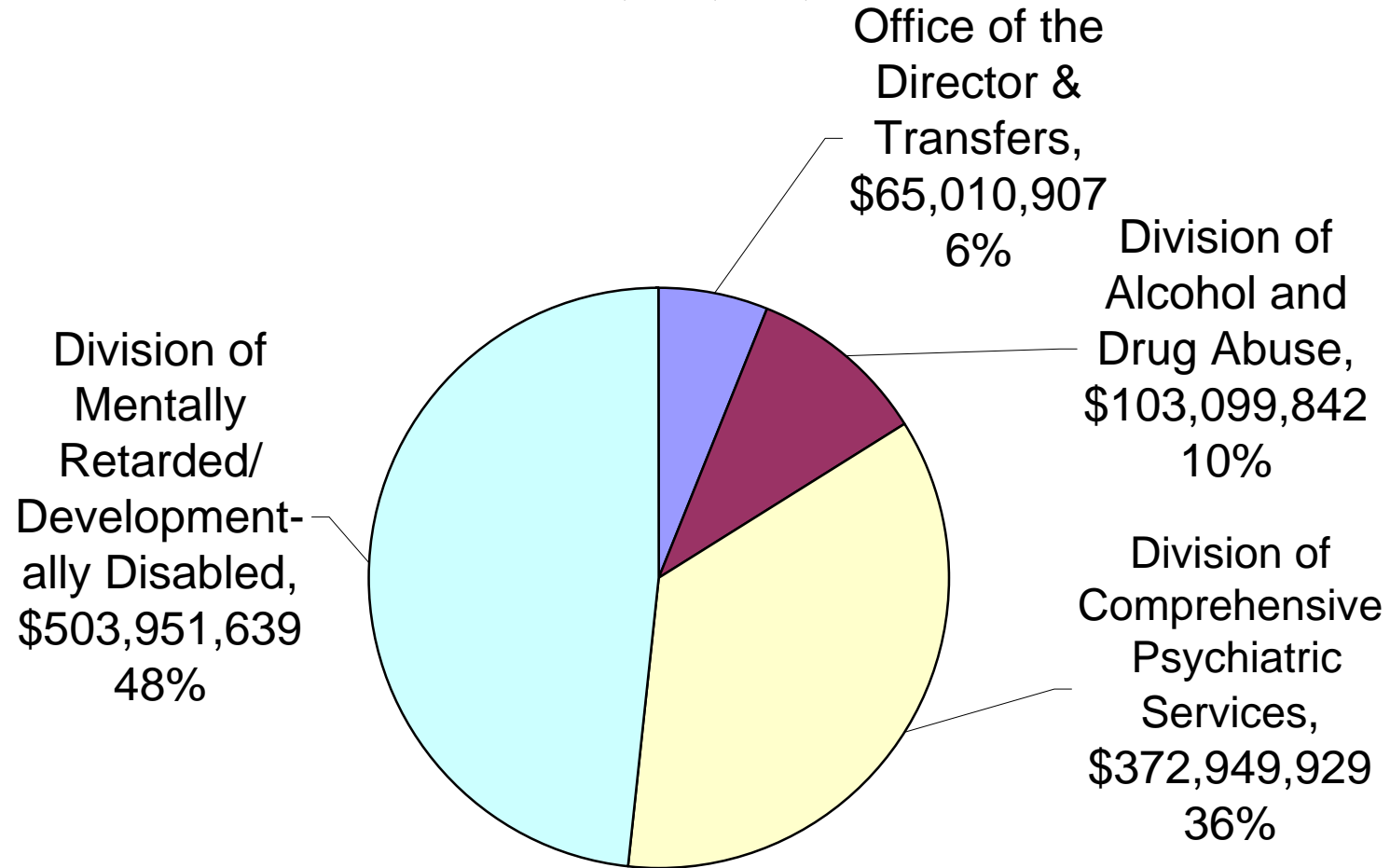
### HB 1010 – DEPT. OF MENTAL HEALTH

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$514,691,270	\$554,004,413	7.6%
FED	420,634,421	451,928,567	7.4%
OTHER	<u>35,837,786</u>	<u>39,079,337</u>	<u>9.0%</u>
TOTAL	\$971,163,477	\$1,045,012,317	7.6%
 F.T.E.	 9,122.38	 8,826.27	 (3.2%)

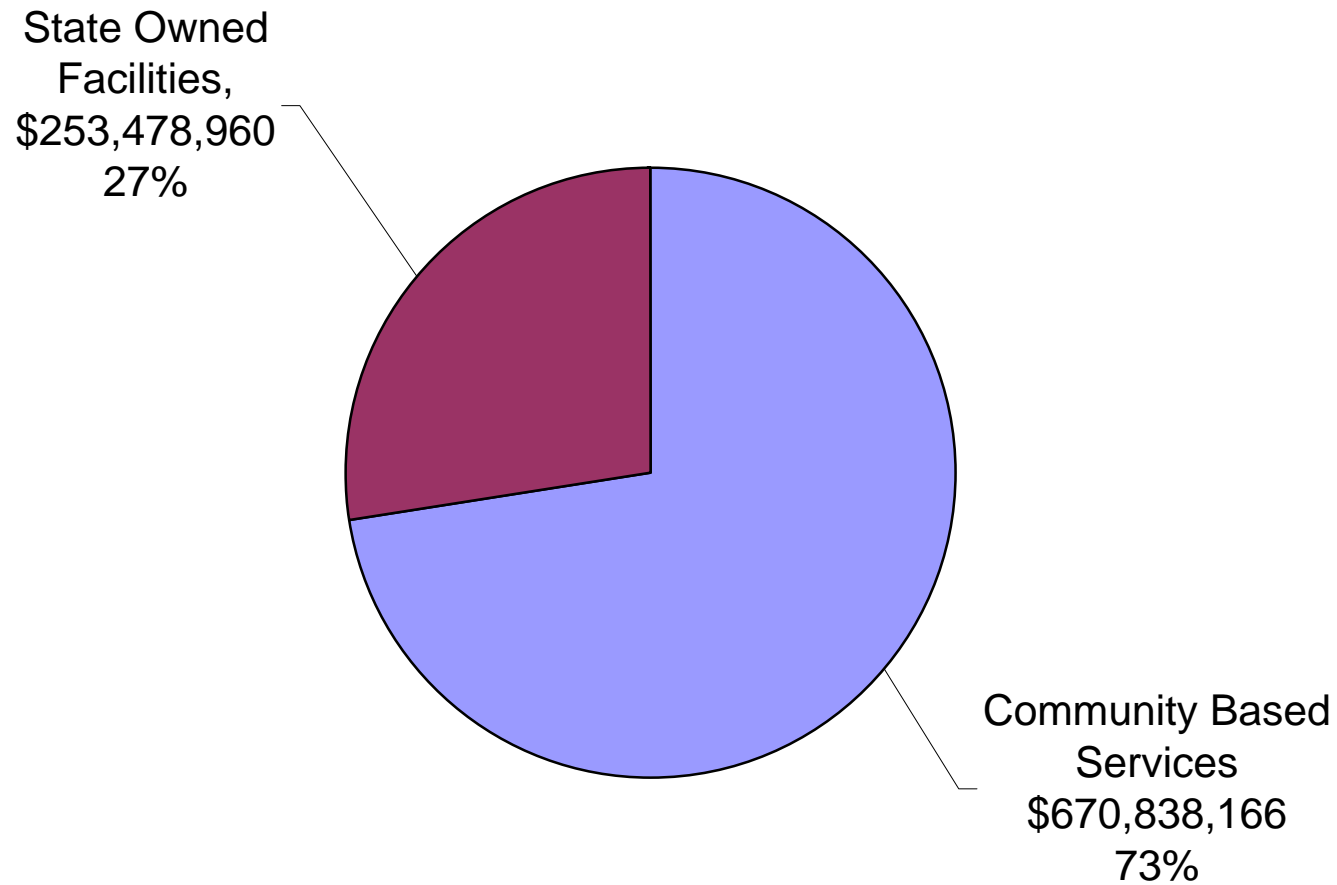
#### Major Changes

\$10,206,417	Provides for a 4% COLA for all state employees
\$3,128,202	Provides for a one-step repositioning for Security Aides to match Correctional Officers and two-step repositioning for nursing positions
\$245,710	Provides for additional 9.00 FTE to add investigative staff and clerical support to eliminate developing backlog in community investigations
\$34,168,277	Provides funding for Medicaid FMAP rate adjustment, caseload growth, and cost-to-continue (\$14,188,885 GR, \$19,979,392 FED & Other)
\$4,628,728	Provides funding for the new Medical Assistance for Working Disabled - MAWD (\$1,796,728 GR, \$2,832,000 FED)
\$3,844,154	Provides funding for an MRDD Personal Service and E&E pool to assist Habilitation Centers in meeting personnel standards from General Revenue
\$5,231,358	Provides funding for a 2.81% provider rate increase for ADA (\$1,730,370 GR, \$611,013 FED & Other) and a 1.55% rate increase to CPS providers (\$1,730,370 GR, \$1,159,604 FED)
\$23,579,049	Provides funding for a 7% provider rate increase for MRDD providers (\$7,847,161 GR, \$15,531,888 FED & Other)
(\$2,780,880)	Provides for a reduction of 2.80 FTE and related program expenses for federal grants not awarded in the Children's System of Care budget
(\$11,986,828)	Provides for a transfer of 146.92 FTE and related expense and equipment to the Office of Administration for IT Consolidation

**FY 2007 Department Of Mental Health Funding by Division**  
**\$1,045,012,317**



**FY 2007 Department of Mental Health Treatment Funding by Type  
of Service Delivery  
\$924,317,126**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

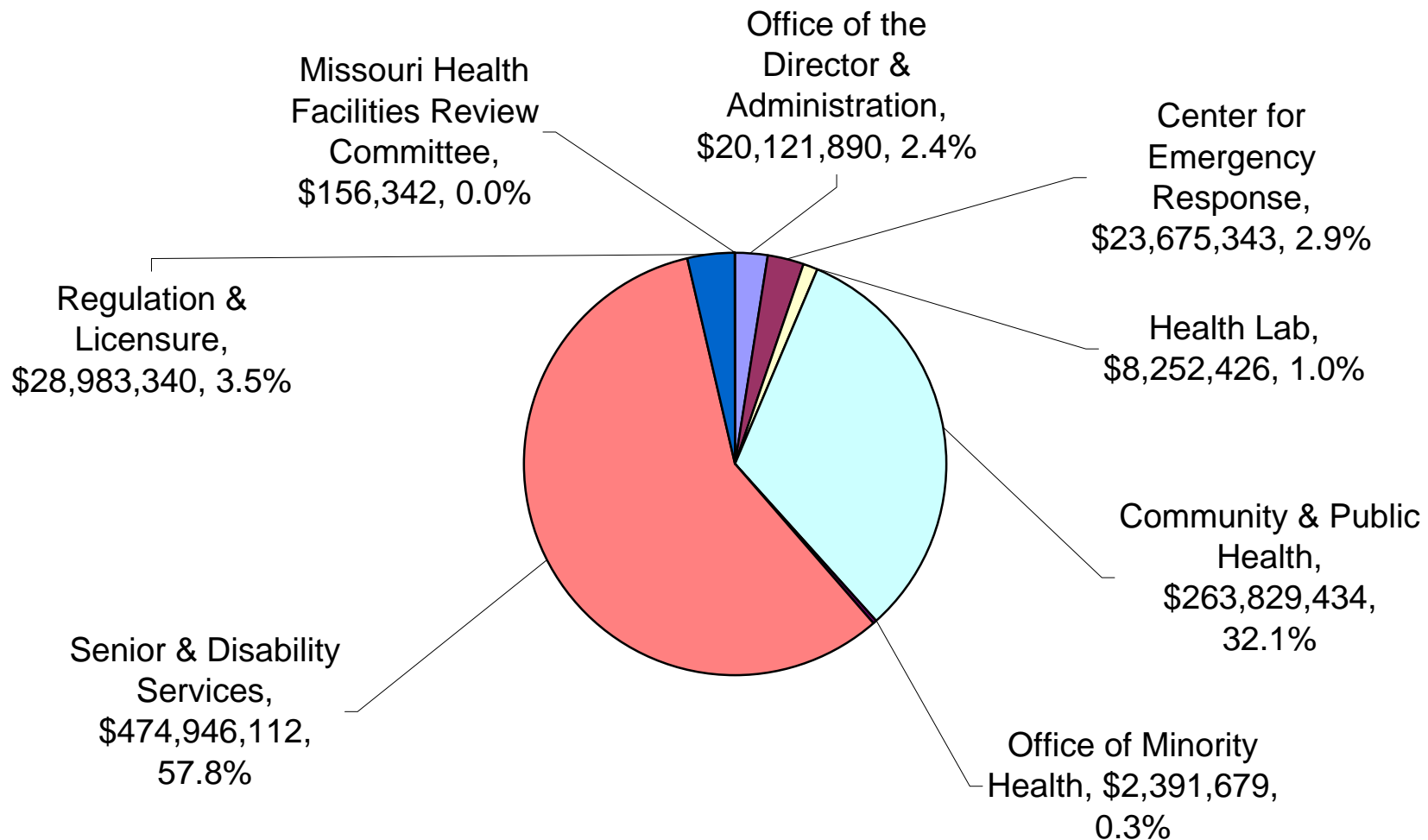
### HB 1010 – DEPT. OF HEALTH AND SENIOR SERVICES

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$214,031,019	\$228,301,096	6.7%
FED	564,482,938	567,288,385	0.5%
OTHER	<u>51,777,756</u>	<u>26,767,085</u>	<u>(48.3%)</u>
TOTAL	\$830,291,713	\$822,356,566	(0.1%)
 F.T.E.	 2,080.45	 1,949.61	 (6.3%)

#### Major Changes

\$2,771,538	Provides for a 4% COLA for all state employees
\$594,002	Provides for a two-step repositioning for nursing positions
\$3,100,000	Provides funding for an immunization registry and an enhanced case management system from Healthcare Technology Fund and Federal Funds
\$1,000,000	Provides additional General Revenue for Home-Delivered Meal Program
\$1,863,259	Provides funding for a new MAWD (\$723,259 GR, \$1,140,000 FED)
\$2,405,260	Provides additional General Revenue funding for HIV Client Care Services – Medications Program (\$15,739,211 GR & FED total core)
\$765,000	Provides GR funding to the Head Injury Program to eliminate the waiting list for current services
\$26,962,120	Provides funding for a \$1.00/hour rate increase for In-Home providers (\$10,851,683 GR, \$16,110,437 FED)
\$22,415,459	Provides funding for Medicaid increases, including FMAP adjustment, caseload growth, and cost-to-continue (\$8,178,129 GR, \$22,415,459 FED)
(\$7,416,494)	Provides for a reduction to the Non-Medicaid In-Home Program (\$200,000 GR consumer directed, \$7,216,494 GR State Only In-Home)
(\$24,482,971)	Provides for a transfer of the Senior Rx funding, including 17.00 FTE, to the Department of Social Services
(\$14,683,590)	Provides for a transfer of 125.84 FTE and related expense and equipment to the Office of Administration for IT Consolidation

## FY 2007 Health & Senior Services \$822,356,566



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1011 – DEPT. OF SOCIAL SERVICES

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$1,251,364,386	\$1,415,767,492	13.1%
FED	3,330,554,576	3,439,130,872	3.3%
OTHER	<u>1,359,204,109</u>	<u>1,322,144,638</u>	<u>(2.7%)</u>
TOTAL	\$5,941,123,071	\$6,177,043,002	4.0%
 F.T.E.	 8,524.11	 8,284.58	 (2.7%)

#### Major Changes

\$10,234,254	Provides funding for a 4% COLA for all state employees (GR \$6,138,110; FED \$3,523,270; and OTHER \$572,874)
\$104,184	Provides funding for an additional salary increase for law enforcement officers and nurses. (GR \$70,842; FED \$27,312; and OTHER \$6,030)
\$158,756,329	Provides funding for an increase for Medicaid cost to continue FY 2006 supplemental appropriation (GR \$60,115,403 and FED \$98,640,926)
\$93,108,986	Provides funding for an increase for Medicaid caseload growth, (90% related to disabled and elderly growth) (GR \$35,679,364 and FED \$57,429,622)
\$80,489,888	Provides funding for an increase for Medicaid managed care providers cost to continue, inflation, and utilization (GR \$29,530,554; FED \$50,507,797; and OTHER \$451,537)
\$79,907,607	Provides funding for an increase for the Medicaid pharmacy ingredient cost growth per prescription (Inflation cost projected at 12.0%) (GR \$30,814,463 and FED \$49,093,144)
\$44,155,127	Provides funding for Medicare Part D Excluded Drugs. The Centers for Medicare and Medicaid Services (CMS) ruled that states are required to continue covering drugs that are not covered by Part D if the state continues to cover these drugs for the remaining fee-for-service (FFS) Medicaid eligibles. (GR \$16,920,245 and FED \$27,234,882)
\$28,183,716	Provides funding for an increase in the Nursing Home reimbursement rate (approximately a 3% increase) (GR \$10,800,000 and FED \$17,383,716)



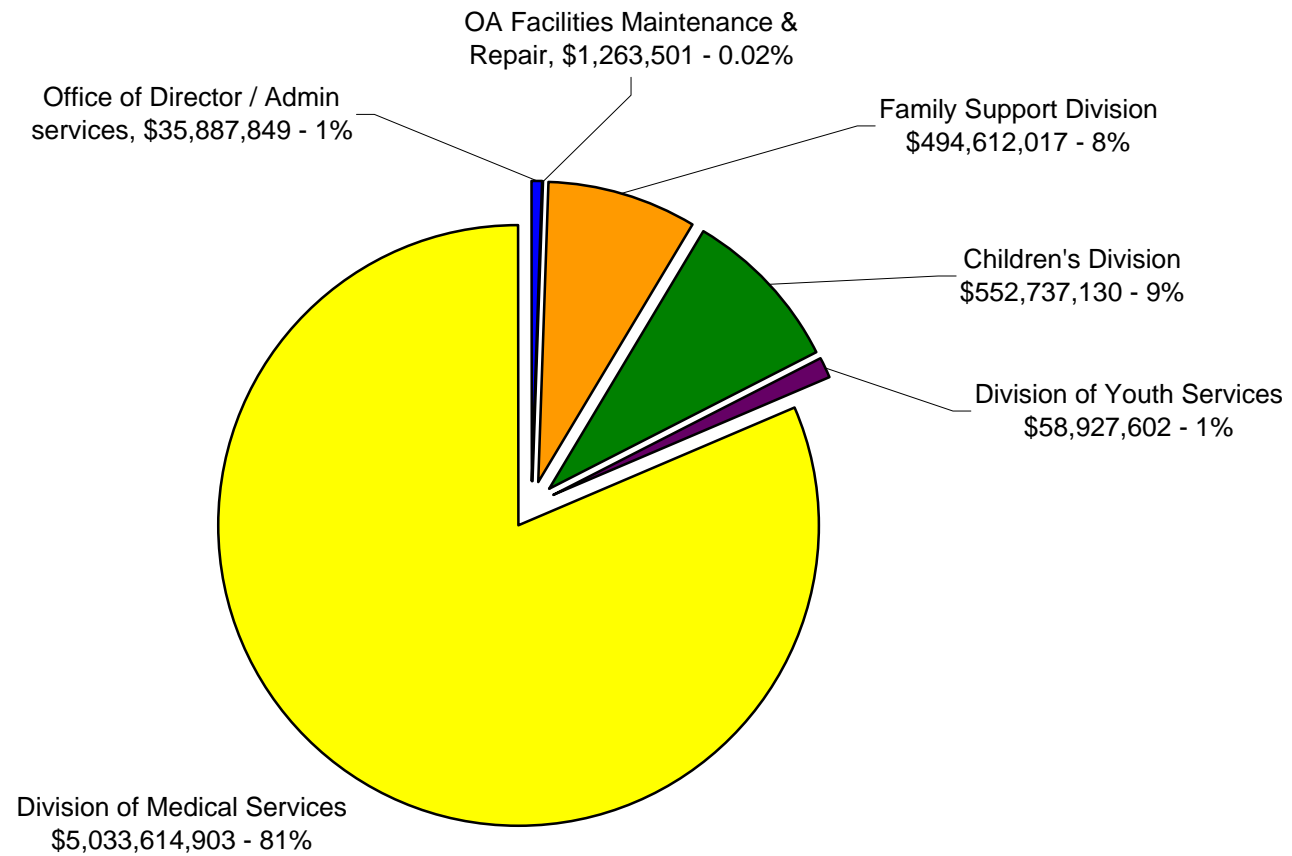
## **MAJOR OPERATING BUDGET CHANGES FOR FY 2007**

### **HB 1011 – DEPT. OF SOCIAL SERVICES**

#### **Major Changes (continued)**

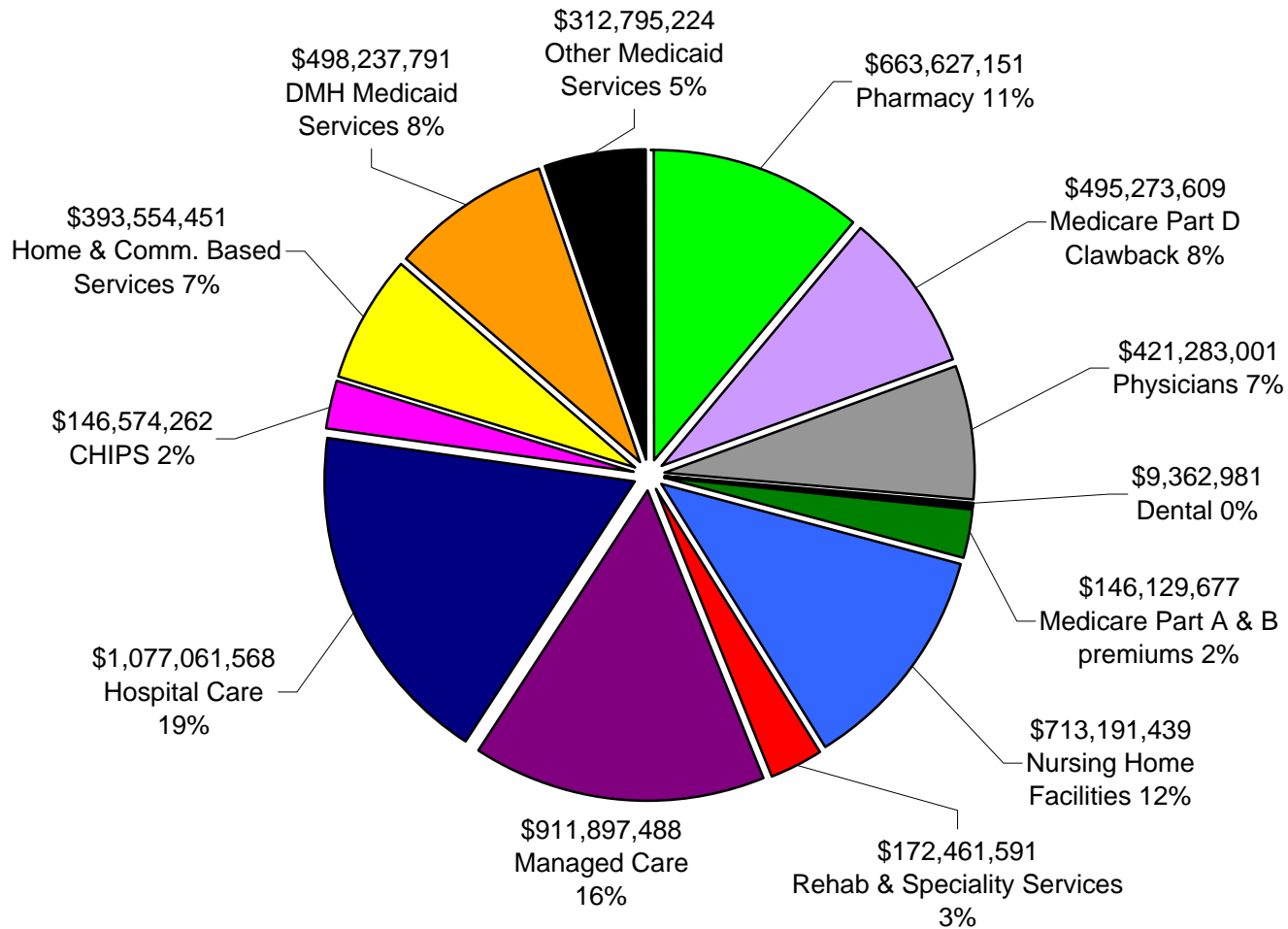
\$25,000,000	Provides funding for a General Revenue transfer to the Healthcare Technology Fund.
\$20,552,789	Provides funding for an increase for Medicaid pharmacy utilization for elderly and disabled population (# of prescriptions per recipient) (GR \$7,875,829 and FED \$12,676,960)
\$15,357,915	Provides funding for an increase for Medicaid projected growth in Medicare premium payments (GR \$5,885,874 and FED \$9,472,041)
\$13,121,269	Provides funding for the new Medical Assistance for Working Disabled (MAWD) program (GR \$5,093,269 and FED \$8,028,000)
\$10,438,854	Provides funding for the change in the Federal Medical Assistance Percentage (FMAP) rate (GR \$7,683,857 and FED \$2,754,997)
\$9,133,611	Provides funding for an increase in the Medicaid reimbursement rate to physicians (GR \$3,500,000 and FED \$5,633,611)
\$6,850,585	Provides funding for an increase for Adoption/Guardianship Subsidy to continue funding for FY 2007
\$6,684,271	Provides funding for the addition of wheelchair batteries and accessories, and eyeglasses to the list of Rehabilitation and Specialty services (GR \$2,750,769 and FED \$4,436,460)
\$5,866,413	Provides funding for a rate increase for Children's Residential Treatment services (GR \$2,309,074 and FED \$3,557,339)

## FY 2007 Department of Social Services Funding by Division: \$6,177,043,002



# FY 2007 Appropriation for Medicaid by Type of Service (All funds)

Total \$5,961,450,233



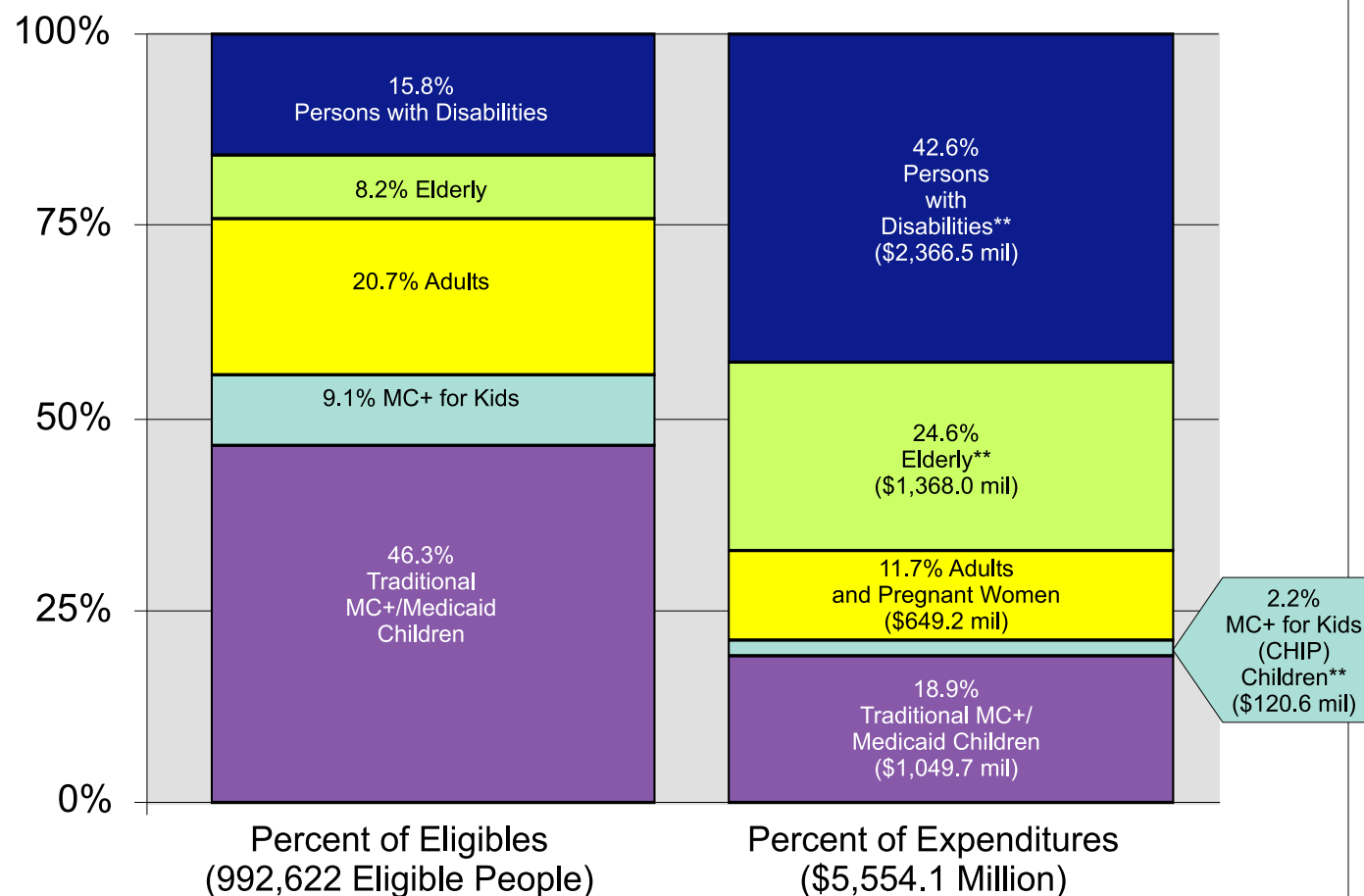
# Medicaid Enrollees and Expenditures

In SFY-2005, the elderly and persons with disabilities comprised 24% of the eligibles, however, they accounted for 67% of Medicaid expenditures.

## Number of People

Persons with Disabilities	156,558
Elderly	80,985
Adults and Pregnant Women	205,036
MC+ for Kids (CHIP) Children	
Premium	1,707*
Co-Pay	18,709
No Cost	70,210
Traditional MC+/ Medicaid Children	459,417

## Medicaid/MC+ SFY-2005



### Notes:

\*MC+ for Kids (CHIP) premium enrollees include only those with paid premiums.

\*\*Expenditures are net of premiums collections for MC+ for Kids (CHIP) premium enrollees, MA-WD premium enrollees and spenddown participants that use the buy-in option.

Data Note: Data reflects Department of Social Services, Table 23, Medical Statistics for State Fiscal Year 2005 adjusted for MC+ for Kids and premium payments.

Persons with Disabilities include Permanently & Totally Disabled, Aid to the Blind, Blind Pension, and Medical Assistance for Workers with Disabilities (MA-WD).

Elderly includes Old Age Assistance and Qualified Medicare Beneficiary (QMB).

Adults and Pregnant Women include Medical Assistance for Families - Adult, Refugees, General Relief, 1115 Waiver Adult, Women with Breast or Cervical Cancer, Medicaid for Pregnant Women (Poverty and MAF Income), Presumptive Eligibility (pregnant women).

MC+ For Kids (CHIP) includes No Cost, Co-Pay and Premium MC+ for Kids enrollees.

Traditional MC+/Medicaid Children includes Medicaid for Children, Medical Assistance for Families - Child, Foster Care, Child Welfare Services, Title XIX - Homeless, Dependent, Neglected (HDN), DYS - General Revenue, Children in a Vendor Institution, Missouri Children with Develop Disabilities (MOCDD), Presumptive Eligibility for Children, Voluntary Placement.

## MAJOR OPERATING BUDGET ISSUES FOR FY 2007

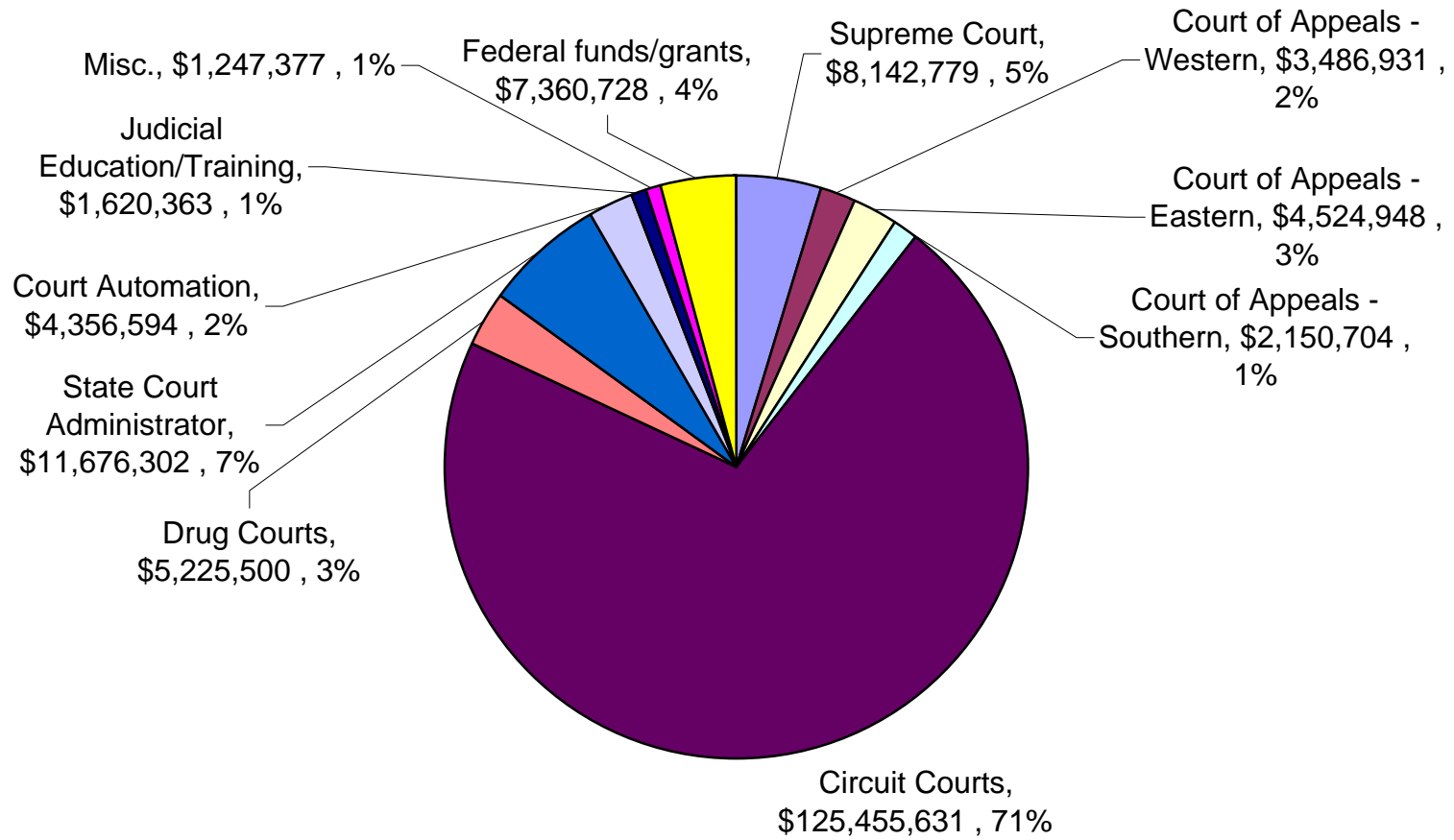
### HB 1012 – JUDICIARY

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$140,367,340	\$155,267,876	10.7%
FED	12,881,488	9,700,642	(24.7%)
OTHER	<u>9,212,166</u>	<u>10,279,339</u>	<u>11.6%</u>
TOTAL	\$162,460,994	\$175,247,857	7.9%
 F.T.E.	 3,372.05	 3,383.55	 0.3%

### Major Issues

\$3,732,051	Provides for a 4% COLA for all employees except Judges.
\$865,770	Provides funding for new, continued, or converted judicial positions and support positions.
\$1,904,000	Provides additional funding for Drug Court treatment.
\$124,955	Provides funding for a reconfigured Sentencing Advisory Commission staff.

**FY 2007 Judiciary**  
**\$175,247,857**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

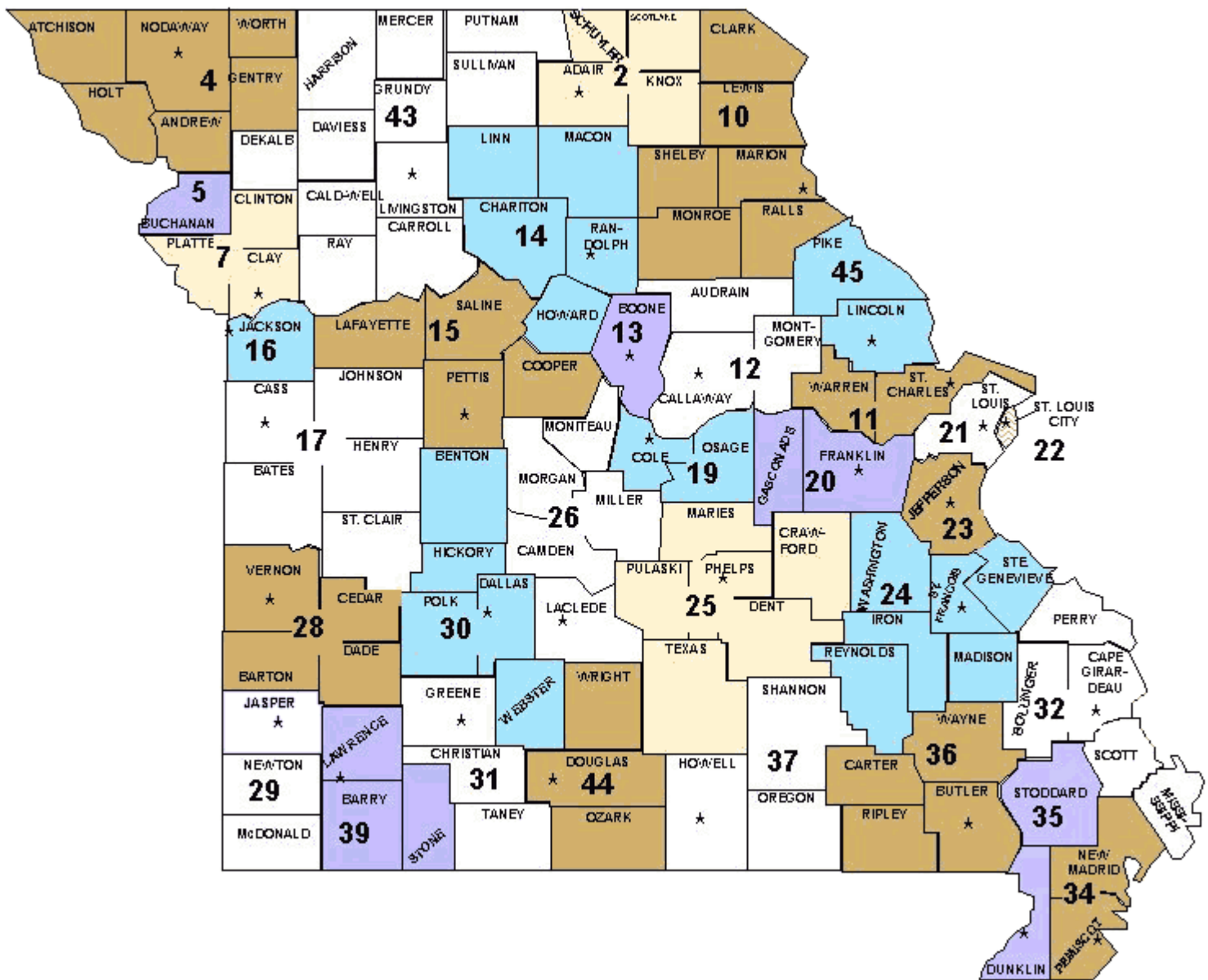
### HB 1012 – OFFICE OF THE PUBLIC DEFENDER

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$28,463,282	\$30,337,822	7.1%
FED	125,000	125,000	0%
OTHER	<u>1,968,134</u>	<u>1,972,829</u>	<u>.2%</u>
TOTAL	\$30,556,416	\$32,435,651	6.7%
 F.T.E.	 560.13	 560.13	 0%

#### Major Changes

\$1,879,235      Provides for a 4% COLA for all state employees and additional salary increases of 4-8% for Assistant Public Defender II, III, IV, and Assistant District Defenders.

## FY 2007 Public Defender Districts and District Office Locations



Capital and Appellate offices are located in Kansas City, St. Louis, and Columbia.

Youth Advocacy Units are located in St. Louis and Kansas City.

Location	Area								
Kirksville	02	Columbia	13	Clayton	21	Carthage	29	West Plains	37
Maryville	04	Moberly	14	St. Louis City	22	Buffalo	30	Monett	39
St. Joseph	05	Sedalia	15	Hillsboro	23	Springfield	31	Chillicothe	43
Liberty	07	Kansas City	16	Farmington	24	Jackson	32	Ava	44
Hannibal	10	Harrisonville	17	Rolla	25	Caruthersville	34	Troy	45
St. Charles	11	Jefferson City	19	Lebanon	26	Kennett	35		
Fulton	12	Union	20	Nevada	28	Poplar Bluff	36		



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

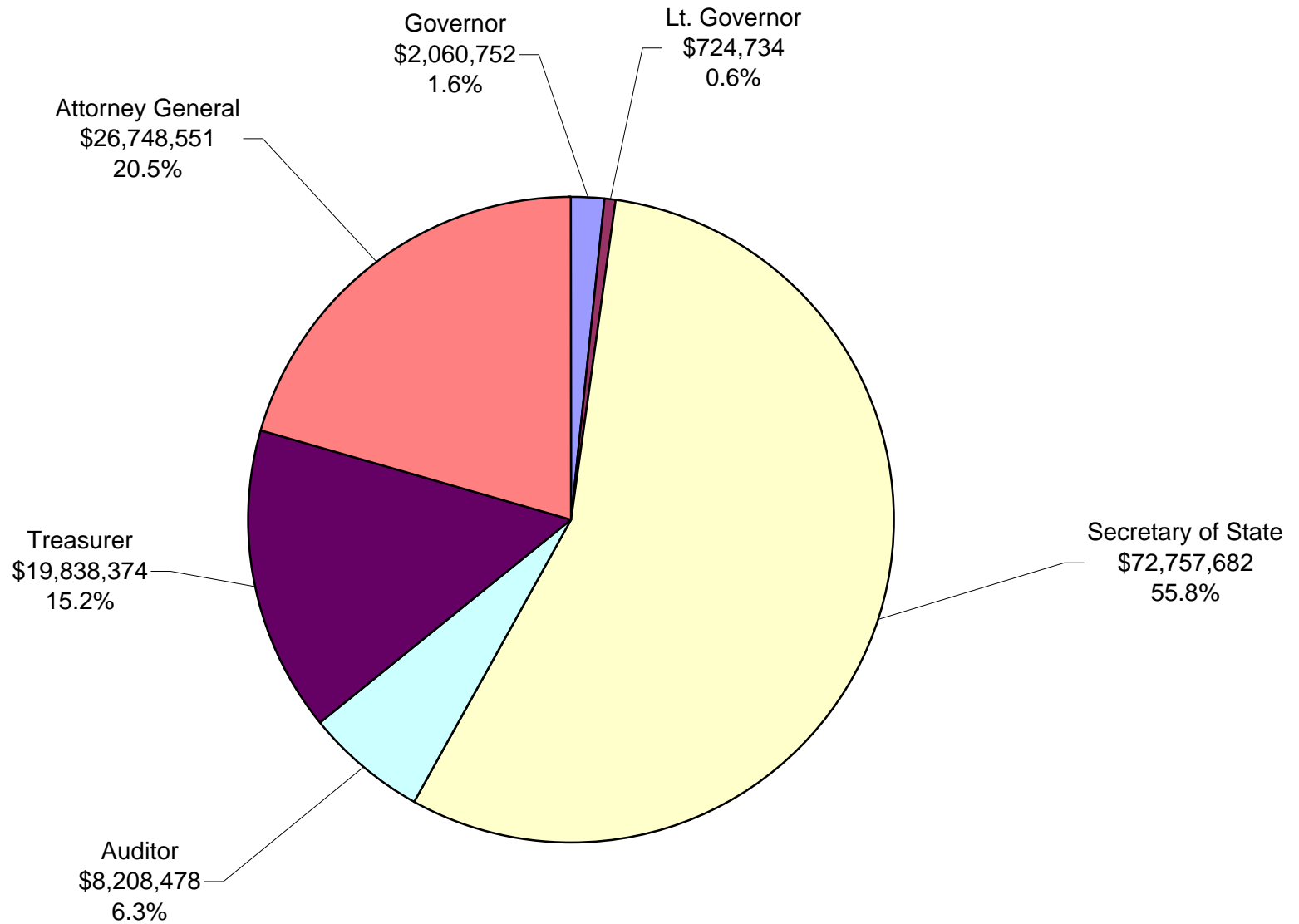
### HB 1012 – STATEWIDE ELECTED OFFICIALS

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$42,922,819	\$46,224,199	7.7%
FED	75,071,079	38,181,093	(49.1%)
OTHER	<u>44,248,716</u>	<u>45,933,279</u>	<u>3.8%</u>
TOTAL	\$162,242,614	\$130,338,571	(19.7%)
 F.T.E.	 948.02	 967.02	 2.0%

#### Major Changes

\$1,438,233	Provides for a 4% COLA for all state employees
\$300,000	Provides General Revenue funding to the Lieutenant Governor for videotaping veterans
\$1,500,000	Provides General Revenue funding to the Secretary of State for publishing initiative petitions in local newspapers across the State
\$450,000	Provides for additional General Revenue for the Secretary of State to be transferred to the Library Networking Fund as part of the Athlete and Entertainer's Tax (\$550,000 total core)
\$517,500	Provides General Revenue funding for the Attorney General to enforce the Master Settlement Agreement provisions relating to Non-Participating Manufactures
\$1,000,000	Provides funding for the Missouri Office of Prosecution Services to develop a criminal history reporting system
(\$37,707,207)	Reduction in federal funding to the Secretary of State for the Help America Vote Act

**FY 2007 Elected Officials**  
**\$130,338,571**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

### HB 1012 – GENERAL ASSEMBLY

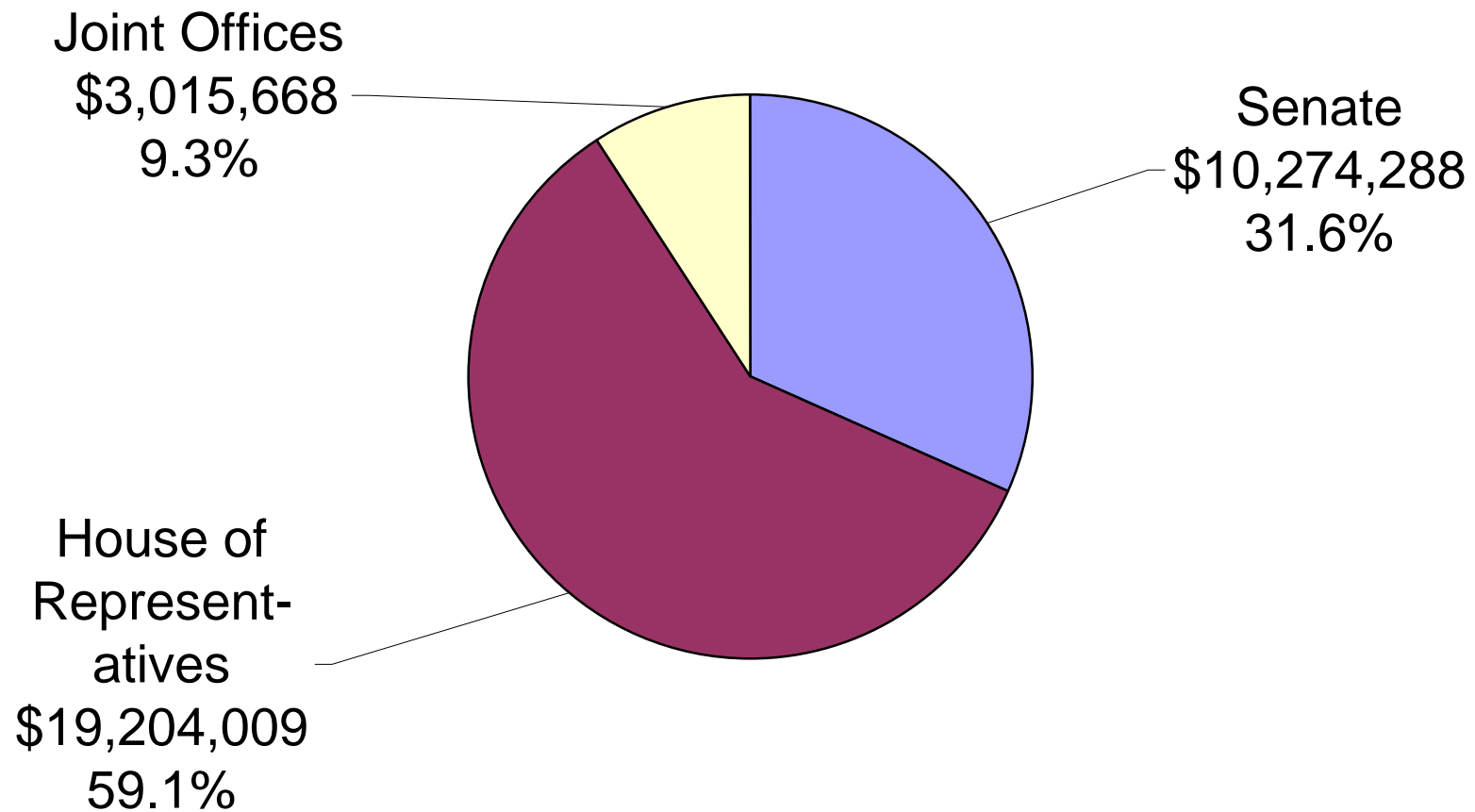
<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$30,968,402	\$32,300,398	4.3%
FED	0	0	0%
OTHER	<u>192,691</u>	<u>193,567</u>	<u>0.5%</u>
TOTAL	\$31,161,093	\$32,493,965	4.3%
F.T.E.	718.84	711.84	0.1%

#### Major Changes

\$719,489	Provides for a 4% COLA for all state employees
\$57,831	Provides increased funding for the House mileage reimbursement
\$207,010	Provides increased funding for the House per diem
\$115,042	Provides for an increase to fully fund the payment of NCSL dues
\$36,000	Provides funding for payment of dues to the National Conference of Commissioners of Uniform State Laws
\$75,000	Provides for funding of 1.00 FTE and associated E&E for the Joint Committee on Tax Policy

# **FY 2007 General Assembly**

## **\$32,493,965**



## MAJOR OPERATING BUDGET CHANGES FOR FY 2007

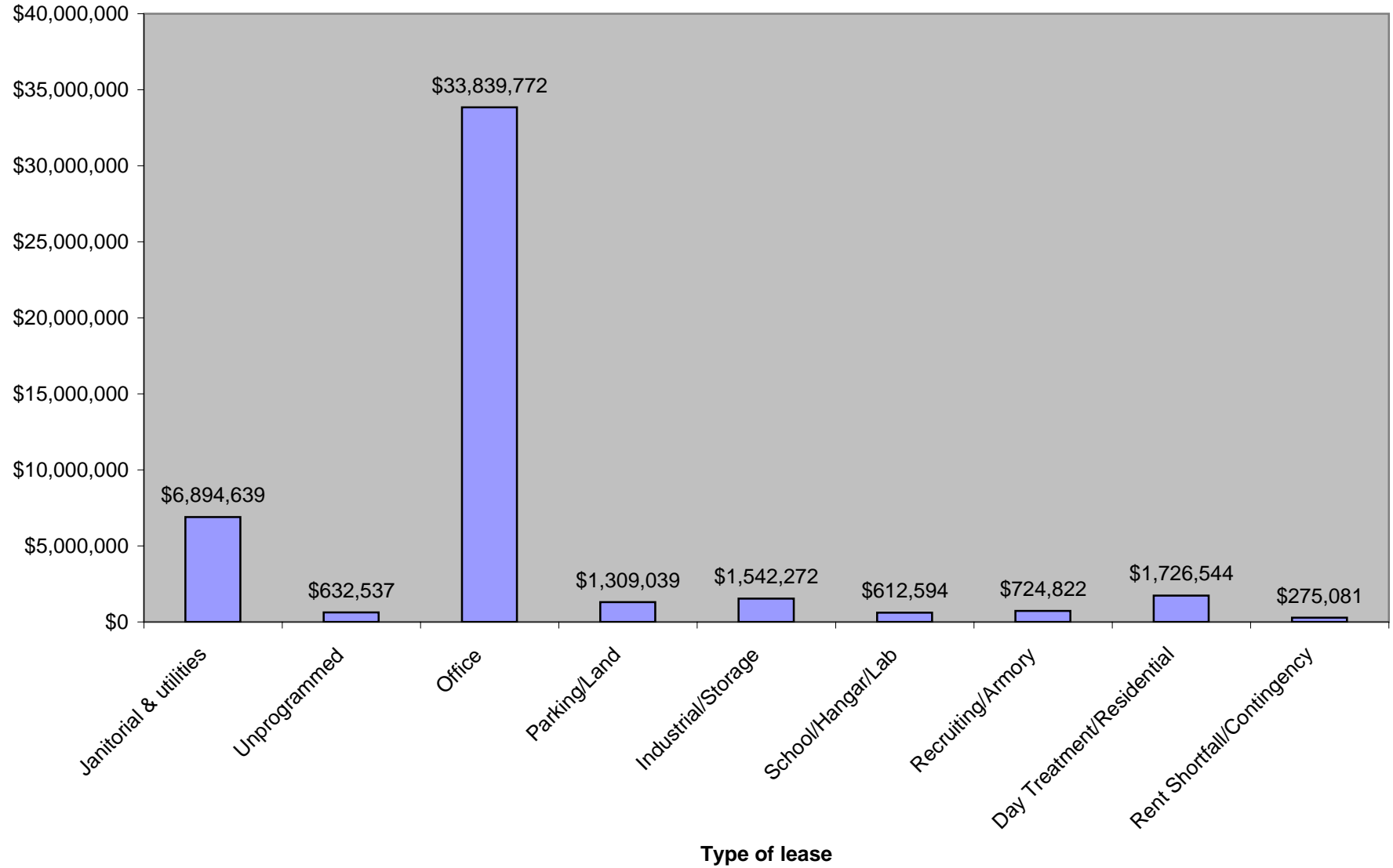
### HB 1013 – LEASING (Real Estate)

<u>Fund</u>	<u>FY 2006 Appropriation</u>	<u>FY 2007 After Veto</u>	<u>Percentage Change</u>
GR	\$24,809,742	\$41,228,202	65.4%
FED	13,607,866	20,006,708	47.0%
OTHER	<u>4,997,725</u>	<u>9,065,212</u>	<u>81.4%</u>
TOTAL	\$43,415,333	\$70,300,122	61.3%

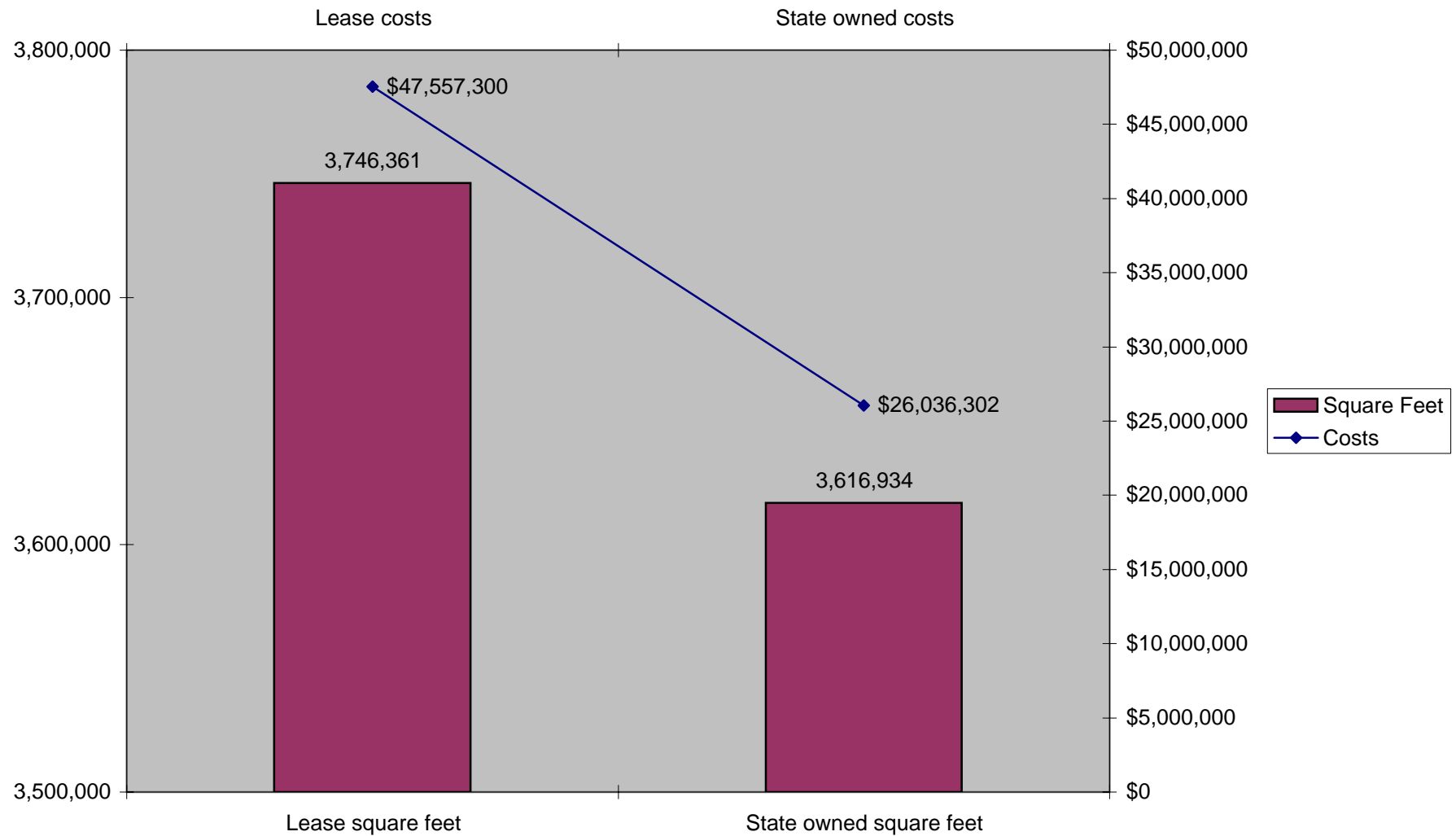
### Major Changes

\$19,569,482	Provides for the transfer in from HB 5 Office of Administration for state-owned office building rent.
\$1,600,736	Provides for the transfer in from HB 5 Office of Administration for leasing cost allocation plan.
\$7,055,631	Provides for the transfer in from various state agencies operating budgets for fuel and utilities costs in leases.
\$700,000	Provides for leases for Judiciary, Attorney General, Health and Senior Services, and Missouri Arts Council at the Old Post Office.
\$600,000	Provides for increased costs for operating costs for new State Health Lab in Jefferson City.
\$144,000	Provides for parking leases at Wainwright State Office Building for the Department of Mental Health relocating from Compton & Choteau.
(\$3,436,603)	Provides for a reduction due to savings in leases.

**FY 2007 Total Leasing Costs**  
**\$47,557,300**



# FY 2007 Comparison of Lease and State Owned square feet and costs



# **Section III**

## **MISSOURI STATE FINANCES**



# MO STATE EXPENDITURES FY 1997 to FY 2006

DEPARTMENT	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Public Debt</b>										
GR	\$95,185,127	\$98,464,065	\$98,342,240	\$100,514,395	\$100,246,281	\$98,871,530	\$44,656,216	\$68,827,494	\$100,301,314	\$68,207,584
FED	-	-	-	-	-	-	-	-	0	0
OTH	91,918,181	95,251,783	103,856,705	-	-	-	-	987,647	980,106	980,825
TOTAL	\$187,103,308	\$193,715,848	\$202,198,945	\$100,514,395	\$100,246,281	\$98,871,530	\$44,656,216	\$69,815,141	\$101,281,420	\$69,188,409
<b>DESE</b>										
GR	\$2,105,536,177	\$2,156,948,658	\$2,190,439,705	\$2,246,166,141	\$2,373,336,192	\$2,440,192,352	\$2,323,936,885	\$2,447,249,919	\$2,568,539,993	\$2,564,869,759
FED	400,756,892	454,761,523	481,345,301	533,247,232	536,552,395	648,557,824	725,455,637	786,607,097	865,603,835	851,869,621
OTH	743,262,730	920,334,110	966,485,700	1,075,782,861	1,149,018,443	1,174,458,519	1,314,484,978	1,163,312,699	1,201,276,384	1,334,292,956
TOTAL	\$3,249,555,799	\$3,532,044,291	\$3,638,270,706	\$3,855,196,234	\$4,058,907,030	\$4,263,208,695	\$4,363,877,500	\$4,397,169,715	\$4,635,420,212	\$4,751,032,336
<b>Higher Education</b>										
GR	\$703,848,200	\$728,289,826	\$827,984,646	\$878,432,055	\$925,407,395	\$798,708,350	\$819,136,439	\$815,064,751	\$834,519,478	\$831,264,897
FED	1,763,036	744,180	1,189,816	1,650,838	2,000,327	2,742,744	3,450,213	2,570,995	3,708,882	2,661,494
OTH	128,027,393	153,663,101	130,007,359	123,508,218	131,538,824	144,377,849	163,422,403	135,883,629	148,923,952	169,475,019
TOTAL	\$833,638,629	\$882,697,107	\$959,181,821	\$1,003,591,111	\$1,058,946,546	\$945,828,943	\$986,009,055	\$953,519,375	\$987,152,312	\$1,003,401,410
<b>Revenue(Net Refunds)</b>										
GR	\$59,118,058	\$61,811,490	\$68,116,058	\$78,080,599	\$72,496,737	\$68,850,579	\$66,216,732	\$69,387,674	\$76,582,278	\$90,046,098
FED	242,635	212,900	42,174	44,612	151,563	89,357	836,166	5,771,302	6,322,475	5,012,820
OTH	518,676,995	391,608,625	553,190,171	335,955,430	317,307,045	333,721,110	352,197,778	378,884,088	357,773,217	353,684,526
TOTAL	\$578,037,688	\$453,633,015	\$621,348,403	\$414,080,641	\$389,955,345	\$402,661,046	\$419,250,676	\$454,043,064	\$440,677,970	\$448,743,444
<b>Transportation</b>										
GR	\$6,741,206	\$10,178,850	\$17,183,769	\$17,303,319	\$16,483,238	\$16,482,799	\$10,385,355	\$11,304,721	\$11,759,808	\$11,476,821
FED	27,196,797	30,352,710	31,266,904	27,114,584	27,917,595	22,584,007	29,251,978	43,116,626	51,989,494	67,253,324
OTH	1,103,181,816	1,050,765,480	1,140,747,135	1,406,380,440	1,445,101,154	1,755,033,311	1,780,374,816	1,772,888,104	1,687,609,010	2,015,926,284
TOTAL	\$1,137,119,819	\$1,091,297,040	\$1,189,197,808	\$1,450,798,343	\$1,489,501,987	\$1,794,100,117	\$1,820,012,149	\$1,827,309,451	\$1,751,358,312	\$2,094,656,429
<b>Office of Admin *</b>										
GR	\$363,940,574	\$340,566,948	\$405,610,209	\$424,818,976	\$504,047,658	\$537,111,294	\$136,087,137	\$151,352,958	\$166,602,191	\$162,794,441
FED	61,057,824	62,844,999	74,527,565	85,379,647	100,004,219	135,032,446	4,602,910	4,147,741	6,366,349	6,226,469
OTH	84,508,082	88,489,293	94,968,783	91,754,220	115,911,958	113,137,159	37,883,011	32,015,575	8,183,529	14,985,535
TOTAL	\$509,506,480	\$491,901,240	\$575,106,557	\$601,952,843	\$719,963,835	\$785,280,899	\$178,573,058	\$187,516,274	\$181,152,069	\$184,006,445

\* - Prior to FY 2003, actual employee benefit costs were included in the Office of Administration.

9/18/2006 Prepared By: Senate Appropriations Staff

# MO STATE EXPENDITURES FY 1997 to FY 2006

DEPARTMENT	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Employee Benefits</b>										
GR	\$0	\$0	\$0	\$0	\$0	\$0	\$398,562,945	\$424,157,043	\$455,603,218	\$476,514,858
FED	-	-	-	-	-	-	103,166,248	106,421,828	129,439,286	134,752,988
OTH	-	-	-	-	-	-	101,673,617	106,800,434	129,106,401	122,647,377
TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$603,402,810	\$637,379,305	\$714,148,905	\$733,915,223
<b>Agriculture</b>										
GR	\$11,703,040	\$11,132,278	\$12,756,376	\$13,820,692	\$13,346,489	\$12,832,632	\$13,139,227	\$12,968,647	\$14,530,608	\$16,252,834
FED	448,021	542,779	541,203	474,566	799,298	912,034	1,367,803	2,107,012	1,962,335	1,864,911
OTH	19,145,705	18,499,670	7,926,854	9,057,909	9,159,086	11,589,032	10,585,908	10,619,032	9,837,002	10,470,071
TOTAL	\$31,296,766	\$30,174,727	\$21,224,433	\$23,353,167	\$23,304,873	\$25,333,698	\$25,092,938	\$25,694,691	\$26,329,945	\$28,587,816
<b>Natural Resources</b>										
GR	\$9,611,905	\$11,149,001	\$15,760,497	\$14,944,846	\$17,848,487	\$12,200,719	\$10,530,395	\$8,595,916	\$7,815,188	\$6,378,607
FED	20,030,525	22,952,737	21,589,657	23,866,708	25,360,220	30,329,285	31,802,494	31,827,742	33,258,642	34,327,818
OTH	95,616,121	160,436,800	181,899,463	116,436,646	113,959,498	122,041,229	121,582,383	155,985,145	276,974,388	266,639,064
TOTAL	\$125,258,551	\$194,538,538	\$219,249,617	\$155,248,200	\$157,168,205	\$164,571,233	\$163,915,272	\$196,408,803	\$318,048,218	\$307,345,489
<b>Conservation</b>										
GR	-	-	-	-	-	-	-	-	0	0
FED	-	-	-	-	-	-	-	-	0	0
OTH	\$100,089,573	\$89,381,173	\$84,090,047	\$107,891,479	\$110,625,250	\$109,881,228	\$114,705,274	\$121,157,301	\$121,944,528	\$127,567,790
TOTAL	\$100,089,573	\$89,381,173	\$84,090,047	\$107,891,479	\$110,625,250	\$109,881,228	\$114,705,274	\$121,157,301	\$121,944,528	\$127,567,790
<b>Economic Dev</b>										
GR	\$18,489,067	\$18,394,531	\$63,459,407	\$61,197,849	\$63,834,967	\$41,533,514	\$38,480,160	\$37,004,001	\$39,291,273	\$34,752,844
FED	89,385,862	78,225,817	88,267,493	117,216,848	103,517,728	121,262,370	112,649,078	128,514,544	153,300,568	133,858,300
OTH	69,945,743	73,718,134	83,041,375	57,408,692	52,260,744	52,876,917	51,007,757	48,125,571	48,187,648	30,734,654
TOTAL	\$177,820,672	\$170,338,482	\$234,768,275	\$235,823,389	\$219,613,439	\$215,672,801	\$202,136,995	\$213,644,116	\$240,779,489	\$199,345,798
<b>Insurance</b>										
GR	-	-	-	-	-	-	-	-	-	-
FED	\$210,592	\$188,056	\$406,906	\$166,306	\$357,316	\$400,000	\$312,958	\$272,210	\$439,248	\$558,594
OTH	11,060,370	11,255,263	11,749,846	11,965,896	12,070,445	12,678,606	12,569,585	11,984,680	11,933,207	28,107,710
TOTAL	\$11,270,962	\$11,443,319	\$12,156,752	\$12,132,202	\$12,427,761	\$13,078,606	\$12,882,543	\$12,256,890	\$12,372,455	\$28,666,304

\* - Prior to FY 2003, actual employee benefit costs were included in the Office of Administration.

9/18/2006 Prepared By: Senate Appropriations Staff

# MO STATE EXPENDITURES FY 1997 to FY 2006

DEPARTMENT	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Labor</b>										
GR	\$3,711,741	\$4,544,751	\$4,845,721	\$4,333,155	\$4,927,603	\$3,805,756	\$3,516,405	\$2,958,825	\$2,518,257	\$2,404,167
FED	75,646,663	67,106,526	64,238,619	45,286,517	45,661,804	50,178,908	40,184,791	42,273,080	43,253,253	42,974,397
OTH	40,181,675	41,880,521	44,018,179	44,119,602	53,371,955	65,692,539	71,586,562	83,821,878	96,800,155	95,779,788
TOTAL	\$119,540,079	\$113,531,798	\$113,102,519	\$93,739,274	\$103,961,362	\$119,677,203	\$115,287,758	\$129,053,783	\$142,571,665	\$141,158,352
<b>Public Safety</b>										
GR	\$40,971,204	\$43,139,419	\$45,285,381	\$47,248,297	\$48,871,907	\$42,235,016	\$43,899,204	\$42,252,445	\$43,654,130	\$69,367,711
FED	34,054,395	43,810,177	59,803,891	56,710,959	57,710,500	82,496,343	130,897,118	98,628,735	102,993,602	115,599,813
OTH	153,483,428	151,600,340	145,980,885	159,110,000	178,751,849	194,898,678	184,485,866	197,435,108	227,699,250	224,594,129
TOTAL	\$228,509,027	\$238,549,936	\$251,070,157	\$263,069,256	\$285,334,256	\$319,630,037	\$359,282,188	\$338,316,288	\$374,346,982	\$409,561,653
<b>Corrections</b>										
GR	\$296,860,239	\$365,371,981	\$385,215,588	\$417,873,544	\$419,775,315	\$460,224,624	\$480,879,881	\$492,485,349	\$508,151,066	\$506,016,408
FED	2,204,143	3,242,900	2,928,196	3,741,687	4,434,593	6,724,334	4,519,330	4,784,942	4,730,775	4,479,859
OTH	27,639,491	36,475,829	33,414,850	29,359,391	30,919,178	25,212,615	31,046,560	30,671,383	30,611,250	27,645,437
TOTAL	\$326,703,873	\$405,090,710	\$421,558,634	\$450,974,622	\$455,129,086	\$492,161,573	\$516,445,771	\$527,941,674	\$543,493,091	\$538,141,704
<b>Mental Health</b>										
GR	\$440,049,132	\$459,087,852	\$488,373,633	\$513,321,021	\$529,475,432	\$534,022,440	\$505,786,104	\$502,633,401	\$512,762,733	\$524,314,568
FED	38,510,934	37,841,322	75,468,915	79,190,395	78,366,142	88,000,066	101,986,367	323,198,393	350,620,718	405,125,432
OTH	57,738,343	47,418,070	17,130,900	22,262,651	19,662,106	22,179,561	35,398,047	31,975,608	36,275,528	33,434,220
TOTAL	\$536,298,409	\$544,347,244	\$580,973,448	\$614,774,067	\$627,503,680	\$644,202,067	\$643,170,518	\$857,807,402	\$899,658,979	\$962,874,220
<b>Health</b>										
GR	\$44,352,671	\$48,219,035	\$54,227,423	\$56,769,181	\$92,030,539	\$86,776,357	\$79,042,857	\$72,120,587	\$69,755,302	\$205,719,205
FED	169,780,195	171,067,288	185,096,244	179,995,574	231,519,879	247,408,847	259,181,362	276,725,979	291,842,477	511,193,034
OTH	11,243,393	12,412,842	12,981,778	13,085,818	15,407,000	17,610,959	28,748,897	33,482,411	34,214,460	27,180,129
TOTAL	\$225,376,259	\$231,699,165	\$252,305,445	\$249,850,573	\$338,957,418	\$351,796,163	\$366,973,116	\$382,328,977	\$395,812,239	\$744,092,368
<b>Social Services</b>										
GR	\$854,589,654	\$892,082,416	\$1,006,949,861	\$1,093,382,032	\$1,076,524,476	\$1,170,247,366	\$1,106,405,491	\$1,205,302,334	\$1,440,510,824	\$1,252,305,354
FED	2,102,141,103	2,323,464,045	2,754,737,817	3,219,014,206	3,436,133,135	3,790,476,524	4,038,881,105	4,020,462,595	3,367,567,010	3,092,663,992
OTH	275,627,849	466,866,662	491,056,932	220,476,396	408,030,999	593,695,913	504,009,545	435,263,276	1,508,821,674	1,641,279,745
TOTAL	\$3,232,358,606	\$3,682,413,123	\$4,252,744,610	\$4,532,872,634	\$4,920,688,610	\$5,554,419,803	\$5,649,296,141	\$5,661,028,205	\$6,316,899,508	\$5,986,249,091

\* - Prior to FY 2003, actual employee benefit costs were included in the Office of Administration.

9/18/2006 Prepared By: Senate Appropriations Staff

# MO STATE EXPENDITURES FY 1997 to FY 2006

DEPARTMENT	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Elected Officials</b>										
GR	\$33,808,028	\$19,957,453	\$42,325,304	\$43,409,634	\$45,530,594	\$42,284,419	\$42,611,552	\$40,522,104	\$44,503,179	\$47,950,908
FED	5,553,561	997,922	3,211,405	3,804,013	3,660,740	4,145,744	4,560,587	5,381,990	15,404,560	30,621,697
OTH	11,171,475	8,864,623	13,079,886	15,785,640	20,370,519	24,895,222	27,579,683	30,216,809	31,122,470	36,753,686
TOTAL	\$50,533,064	\$29,819,998	\$58,616,595	\$62,999,287	\$69,561,853	\$71,325,385	\$74,751,822	\$76,120,903	\$91,030,209	\$115,326,291
<b>Judiciary</b>										
GR	\$88,991,143	\$94,248,289	\$106,292,792	\$130,888,089	\$143,690,464	\$140,517,393	\$139,003,782	\$136,982,040	\$140,697,623	\$140,269,453
FED	2,734,444	3,543,742	6,227,168	6,731,717	5,217,333	3,660,881	4,950,075	6,186,858	5,531,703	8,385,862
OTH	5,684,970	3,998,578	6,827,599	5,255,718	2,955,854	5,195,533	5,122,784	5,740,709	8,393,255	8,817,536
TOTAL	\$97,410,557	\$101,790,609	\$119,347,559	\$142,875,524	\$151,863,651	\$149,373,807	\$149,076,641	\$148,909,607	\$154,622,581	\$157,472,851
<b>Public Defender</b>										
GR	\$20,829,738	\$21,320,420	\$24,105,873	\$27,039,675	\$26,920,525	\$28,503,733	\$28,837,478	\$27,818,869	\$28,461,895	\$28,462,879
FED	87,349	32,393	-	-	-	-	-	-	0	0
OTH	686,077	817,192	1,385,415	696,500	1,129,452	752,435	1,193,698	1,141,187	1,712,172	1,205,707
TOTAL	\$21,603,164	\$22,170,005	\$25,491,288	\$27,736,175	\$28,049,977	\$29,256,168	\$30,031,176	\$28,960,056	\$30,174,067	\$29,668,586
<b>General Assembly</b>										
GR	\$25,564,045	\$26,334,613	\$28,311,562	\$30,023,991	\$32,457,072	\$31,218,745	\$30,933,643	\$29,444,024	\$29,369,558	\$29,812,209
FED	-	-	-	-	-	-	-	-	0	0
OTH	332,159	242,373	222,160	269,705	210,929	129,984	52,716	86,281	88,402	149,144
TOTAL	\$25,896,204	\$26,576,986	\$28,533,722	\$30,293,696	\$32,668,001	\$31,348,729	\$30,986,359	\$29,530,305	\$29,457,960	\$29,961,353
<b>Statewide Leasing</b>										
GR	\$16,782,196	\$17,775,009	\$18,928,407	\$20,930,676	\$22,953,326	\$23,308,688	\$27,135,310	\$25,084,261	\$23,852,224	\$35,506,075
FED	12,002,171	11,771,758	11,647,292	12,621,257	13,326,581	14,030,835	13,595,954	13,043,365	13,343,549	12,716,059
OTH	4,743,094	4,659,947	6,853,043	4,214,902	5,183,930	5,336,171	5,533,626	5,268,817	5,422,252	4,634,290
TOTAL	\$33,527,461	\$34,206,714	\$37,428,742	\$37,766,835	\$41,463,837	\$42,675,694	\$46,264,890	\$43,396,443	\$42,618,025	\$52,856,424
<b>Total Operating</b>										
GR	\$5,240,683,145	\$5,429,016,885	\$5,904,514,452	\$6,220,498,167	\$6,530,204,697	\$6,589,928,306	\$6,349,183,198	\$6,623,517,363	\$7,119,782,140	\$7,104,687,680
FED	3,043,807,142	3,313,703,774	3,862,536,566	4,396,257,666	4,672,691,368	5,249,032,549	5,611,652,174	5,902,043,034	5,447,678,761	5,462,146,484
OTH	3,553,964,663	3,828,640,409	4,130,915,065	3,850,778,114	4,192,946,218	4,785,394,570	4,955,245,494	4,793,747,372	5,983,890,240	6,576,985,622
TOTAL	\$11,838,454,950	\$12,571,361,068	\$13,897,966,083	\$14,467,533,947	\$15,395,842,283	\$16,624,355,425	\$16,916,080,866	\$17,319,307,769	\$18,551,351,141	\$19,143,819,786

\* - Prior to FY 2003, actual employee benefit costs were included in the Office of Administration.

9/18/2006 Prepared By: Senate Appropriations Staff

# MISSOURI STATE CAPITAL IMPROVEMENTS APPROPRIATIONS HISTORY: FY 1979 - FY 2007

Appropriation for Maintenance & New Construction					Maintenance by Fund Source				New Construction by Fund Source			
Fiscal Year	Maintenance & Repair	New Construction	ADA* Capital Improve.	Total Capital Improve.	General Revenue	Third State Building Fund	Fourth State Building Fund	Other	General Revenue	Third State Building Fund	Fourth State Building Fund	Other
1979	15,538,125	76,579,632	n/a	92,117,757	0	0	n/a	15,538,125	(81,672,696)	0	n/a	158,252,328
1980 <sup>1</sup>	17,606,024	85,285,841	n/a	102,891,865	0	0	n/a	17,606,024	(92,446,804)	0	n/a	177,732,645
1981	22,024,178	125,489,921	n/a	147,514,099	18,260,317	0	n/a	3,763,861	(137,069,038)	0	n/a	262,558,959
1982	11,555,707	34,735,838	n/a	46,291,545	4,961,672	0	n/a	6,594,035	(35,846,484)	0	n/a	70,582,322
1983 <sup>2</sup>	44,659,002	100,370,242	n/a	145,029,244	15,355,252	27,000,000	n/a	2,303,750	(134,584,183)	48,000,000	n/a	186,954,425
1984 <sup>3</sup>	42,500,000	37,461,900	n/a	79,961,900	0	42,500,000	n/a	0	(69,516,839)	7,500,000	n/a	99,478,739
1985	34,000,000	170,941,858	n/a	204,941,858	0	34,000,000	n/a	0	(194,496,797)	41,000,000	n/a	324,438,655
1986	80,031,920	464,859,605	n/a	544,891,525	0	80,000,000	n/a	31,920	(534,446,464)	320,000,000	n/a	679,306,069
1987	32,420,658	93,887,074	n/a	126,307,732	29,040,358	650,000	n/a	2,730,300	26,946,874	0	n/a	66,940,200
1988	36,762,491	74,438,519	n/a	111,201,010	3,201,891	29,750,000	n/a	3,810,600	12,184,480	5,250,000	n/a	57,004,039
1989	25,029,217	98,045,830	n/a	123,075,047	7,271,317	11,050,000	n/a	6,707,900	30,411,575	0	n/a	67,634,255
1990	25,438,134	75,556,935	n/a	100,995,069	13,360,320	8,095,900	n/a	3,981,914	12,410,583	3,863,776	n/a	59,282,576
1991	20,559,118	51,615,393	n/a	72,174,511	8,783,287	9,174,488	n/a	2,601,343	2,613,165	4,029,944	n/a	44,972,284
1992	6,077,412	51,026,239	n/a	57,103,651	102,000	4,278,421	n/a	1,696,991	5,842,469	1,678,665	n/a	43,505,105
1993	13,451,045	101,518,881	n/a	114,969,926	7,223,888	1,487,500	n/a	4,739,657	56,772,257	262,500	n/a	44,484,124
1994	15,105,914	69,432,398	38,507,704	123,046,016	5,323,903	0	n/a	9,782,011	17,790,470	0	n/a	51,641,928
1995	21,062,406	391,155,679	n/a	412,218,085	13,486,681	1,004,084	n/a	6,571,641	6,243,178	994,836	250,000,000	133,917,665
1996-97 <sup>4</sup>	45,979,315	363,397,366	n/a	409,376,681	33,338,894	0	0	12,640,421	192,356,673	0	0	171,040,693
1997	0	362,195,578	n/a	362,195,578	0	0	0	0	326,671,012	0	0	35,524,566
1998-99	60,158,925	490,660,340	1,124,000	551,943,265	26,146,444	1,402,500	0	32,609,981	247,900,896	247,500	4,150,000	239,485,944
1999	0	185,866,273	n/a	185,866,273	0	0	0	0	148,596,895	0	0	37,269,378
2000-01	59,269,229	485,464,477	2,000,951	546,734,657	2,677,106	0	0	56,592,123	90,851,785	0	11,824,800	384,788,843
2001	0	161,449,378	0	161,449,378	0	0	0	0	155,259,154	0	0	6,190,224
2002-03	89,978,254	74,532,065	0	164,510,319	70,311,606	0	0	19,666,648	6,916,295	0	0	67,615,770
2003	0	5,807,645	0	5,807,645	0	0	0	0	0	0	0	5,807,645
2004	133,537,022	223,559,884	0	357,096,906	83,800,084	0	0	49,736,938	1,000	0	0	223,558,884
2005	0	3,625,045	0	3,625,045	0	0	0	0	625,044	0	0	3,000,001
2006	112,893,818	182,986,121	0	295,879,939	81,086,755	0	0	31,807,063	13,700,525	0	0	169,285,596
2007	0	151,211,197	0	151,211,197	0	0	0	0	11,595,722	0	0	139,615,475

<sup>1</sup> Fiscal Year 1980 includes \$49,150,000 for Truman State Office Building vetoed by the Governor (veto overridden).

<sup>2</sup> Fiscal Year 1983 includes appropriations from the 1983 Special Session.

<sup>3</sup> Fiscal Year 1984 includes appropriations from the 1984 Special Session.

<sup>4</sup> Fiscal Year 1996 biennial appropriations implemented.

\*ADA – Americans with Disabilities Act

## CONSENSUS STATE REVENUE ESTIMATE & RECEIPTS

### FY 2004 thru FY 2007

The consensus revenue estimate calculated by the Office of Administration and the General Assembly attempts to provide an accurate revenue forecast for the upcoming fiscal year, based upon projections of both the national and state economic conditions and trends. The revenue estimate is one of the first areas that is analyzed before the state budget is formulated and is usually finalized in the December preceding the next fiscal year.

#### CONSENSUS REVENUE ESTIMATE FOR FISCAL YEARS 2006 & 2007

(Millions \$)

	Original Estimate FY 2006	Revised Estimate FY 2006	Original Estimate FY 2007	FY 2007 Est. vs FY 2006 Rev. Est. % Change
<b>GENERAL REVENUE:</b>				
Sales & Use Tax	\$2,007.6	\$1,992.1	\$2,030.7	1.94%
Individual Income Tax	5,018.5	5,203.5	5,521.6	6.11%
Corporate Income/Franchise Tax	481.8	575.0	602.6	4.80%
County Foreign Insurance Tax	169.3	170.5	174.8	2.52%
Liquor Taxes and Licenses	23.5	23.5	24.0	2.13%
Beer Taxes and Licenses	8.8	8.5	8.6	1.18%
Inheritance/Estate Tax	11.0	11.0	0.0	-100.00%
Interest	16.2	25.9	26.7	3.09%
Federal Reimbursements	87.0	75.6	71.4	-5.56%
Other Sources	134.8	149.5	138.0	-7.69%
<b>TOTAL GENERAL REVENUE</b>	<b>7,958.5</b>	<b>8,235.1</b>	<b>8,598.4</b>	<b>4.41%</b>
*Less Refunds	(1,179.2)	(1,195.3)	(1,240.1)	3.75%
<b>NET BASE GENERAL REVENUE</b>	<b>6,779.3</b>	<b>7,039.8</b>	<b>7,358.3</b>	<b>4.52%</b>

#### GENERAL REVENUE RECEIPTS FOR FISCAL YEAR 2003, 2004 & 2005

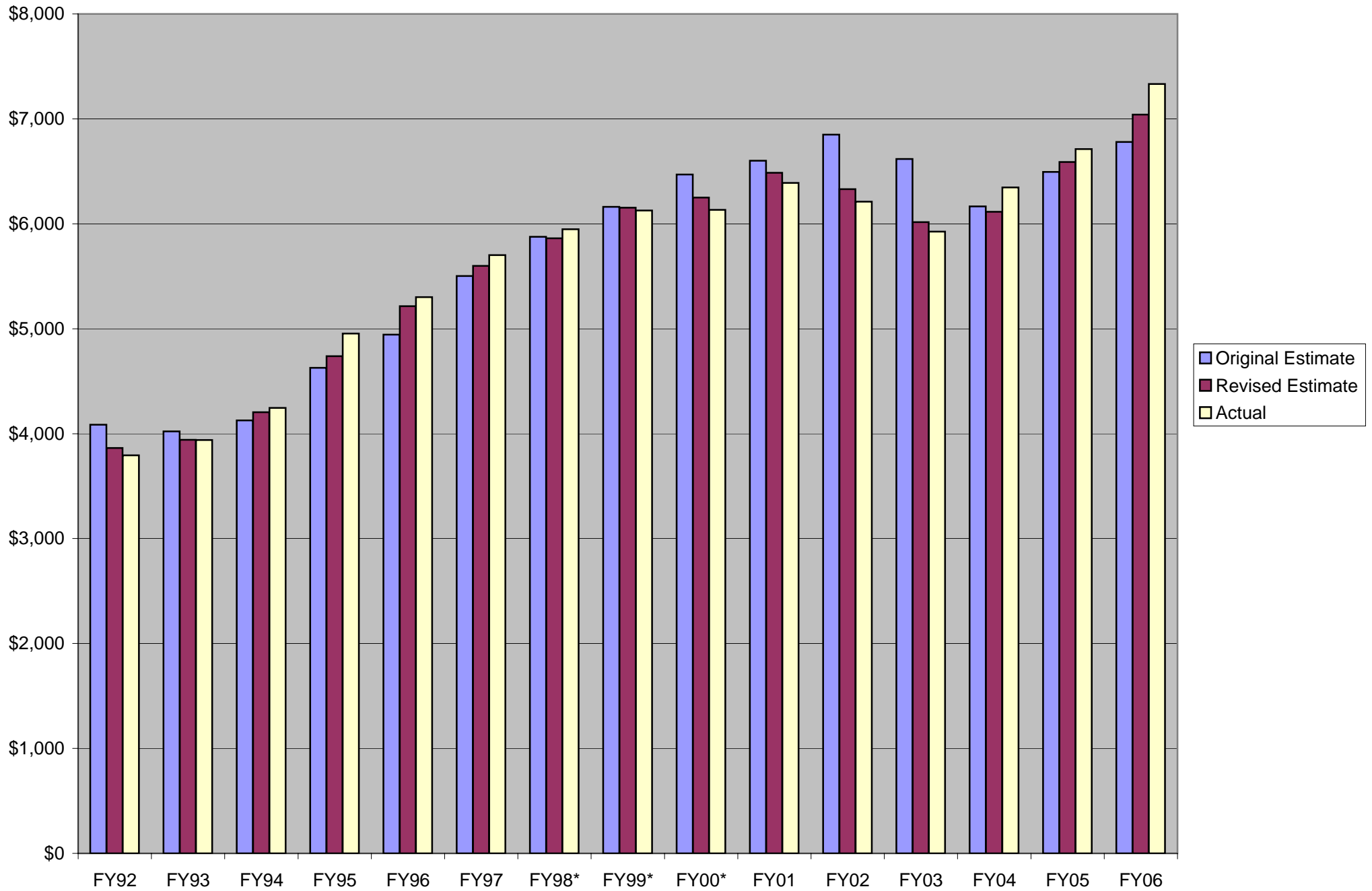
(Millions \$)

	Receipts FY 2004 (1)	Receipts FY 2005	Receipts FY 2006	FY 2006 vs. FY 2005 % Change
<b>GENERAL REVENUE:</b>				
Sales & Use Tax	\$1,902.4	\$1,957.8	\$1,993.1	1.81%
Individual Income Tax	4,572.2	4,859.3	5,352.0	10.14%
Corporate Income/Franchise Tax	421.0	473.8	606.7	28.03%
County Foreign Insurance Tax	162.1	165.5	189.7	14.59%
Liquor Taxes and Licenses	22.5	23.0	24.0	4.51%
Beer Taxes and Licenses	8.3	8.2	8.4	2.90%
Inheritance/Estate Tax	75.1	42.2	15.6	-63.12%
Interest	16.2	18.8	35.4	88.77%
Federal Reimbursements	87.8	86.8	89.1	2.61%
Other Sources	153.2	147.4	147.2	-0.14%
<b>TOTAL GENERAL REVENUE</b>	<b>7,420.8</b>	<b>7,782.7</b>	<b>8,461.1</b>	<b>8.72%</b>
*Less Refunds	(1,075.0)	(1,071.3)	(1,128.9)	5.38%
<b>NET BASE GENERAL REVENUE</b>	<b>6,345.8</b>	<b>6,711.4</b>	<b>7,332.2</b>	<b>9.25%</b>

(1) FY03 Receipts and FY04 Receipts does not included \$95,133,169 payment for Federal Relief to the States.

\* Per section 136.035, RSMo, the Department of Revenue will pay refunds on any overpayment or erroneous payment of tax that the state collects. This includes, but may not be limited to, refund claims for senior citizens, sales, income, withholding, corporate, and other refunds.

Comparison of the Consensus Revenue Estimate to Actual Collections  
(Millions \$)



\* In FY98, FY99, & FY00 the General Assembly passed tax cuts after the original estimate was completed.

## **State of Missouri Bonded Indebtedness**

The General Assembly is authorized by constitutional and statutory provisions to authorize the issuance of debt for various purposes. The Board of Fund Commissioners and the Board of Public Buildings are responsible for managing the state's issuance of general obligation instruments and revenue bonds, respectively. In addition, the General Assembly has created several financing authorities responsible for raising capital via debt issuance for specific purposes.

### **General Obligation Instruments**

The State of Missouri presently has several outstanding issues of Water Pollution Control (WPC), Third State Building (TSB), Fourth State Building (FSB), and Stormwater Control Bonds (SWB) general obligation bonds. WPC bonds provide funding for various projects aimed at protecting the environment through the control of water pollution. TSB bonds provide funding for necessary improvements to state buildings and property. FSB bonds provide funding for improvements of buildings and property of higher education institutions, the Department of Corrections, and the Division of Youth Services. SWB bonds provide funds for state use to protect the environment through the control of stormwaters. All are secured by a pledge of the full faith and credit of the state of Missouri.

The Constitution of the State of Missouri establishes limits for WPC, TSB, FSB and SWB bonds. The constitutional limit on WPC bonds is \$725 million (Article III, § 37(b), 37(c), 37(e), Missouri Constitution). The constitutional limit on TSB bonds is \$600 million (Article III, § 37(d), Missouri Constitution). The constitutional limit on FSB bonds is \$250 million (Article III, § 37 (f), Missouri Constitution). The constitutional limit on SWB bonds is \$200 million (Article III, § 37(h). The amount of WPC bonds that remain authorized but not yet issued is \$210,505,760. There is no remaining amount of authorization to be issued for the TSB and FSB bonds.

### **Revenue Bonds**

Upon approval of the General Assembly, the Board of Public Buildings is authorized to issue revenue bonds for state building projects to house state agencies. The total statutorily authorized issuance amount is \$945,000,000. The Department of Natural Resources (DNR) is also authorized to issue revenue bonds with the General Assembly's approval. DNR uses revenue bond proceeds for the acquisition and/or development of park facilities.

Revenue bonds are secured by revenues generated from the projects they finance and are not backed by the full faith and credit of the state. Section 8.420, RSMo, limits revenue bond issuance by the Board of Public Buildings to \$825 million. Sections 253.210-253.280, RSMo, limit revenue bonds issued by DNR to \$5,167,000 for state parks.

Both the Board of Public Buildings and DNR are allowed by statute to issue bonds for the purpose of refunding outstanding issues. As with general obligation bonds, revenue bonds are refunded when lower rates of interest are available.



In May of 2001, the Board issued \$173,870,000 principal amount of State Building Special Obligation Bonds, Series A 2001 for the purpose of financing the Jefferson City Correctional Center, the Western Missouri Mental Health Center, and the Department of Natural Resources Office Building, to purchase a building presently being leased by the State and pay certain costs of issuance of the Bonds. In 2003, \$387,425,000 was issued to reimburse General Revenue for costs of various capital improvements projects and new construction for a state health laboratory, University of Missouri – Kansas City Pharmacy building, and a University of Missouri – Columbia Life Sciences building. Bonds will be issued in 2006 or 2007 for the replacement women’s correctional facility located in Chillicothe.

### **Other Debt Issuances**

On August 15, 1991, the St. Louis Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project bonds for the eastern expansion of the existing Cervantes Convention Center in St. Louis. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the state. However, under a financing agreement dated August 1, 1991, appropriations are made from General Revenue to pay the principal and interest due each year. The Regional Convention and Sports Complex Authority issued \$121,705,000 of Convention and Sports Facility Refunding Bonds in December 1993. Payments are to conclude in fiscal year 2021. Annual appropriation is \$2,000,000.

Section 67.641 RSMo establishes appropriations up to \$2,000,000 annually to be paid from the state general revenue fund to each convention and sports complex fund created pursuant to Section 67.639. In 1997 Section 67.641 RSMo was revised and annual state contributions was increased from \$2,000,000 to \$3,000,000. In fiscal year 1991 the Kansas City Convention Center (Bartle Hall) began receiving \$2,000,000 annually from the State. Payments will continue until fiscal year 2015. In fiscal year 1991 Jackson County Convention Center (Kauffman/Arrowhead Stadium) began receiving \$2,000,000. In fiscal year 1998 the amount was increased to \$3,000,000 and will continue until fiscal year 2015.

On November 1, 2001, the Missouri Health and Education Facilities Authority (MOHEFA) issued \$35,000,000 of Educational Facilities Revenue Bonds Series 2001 to finance the University of Missouri – Columbia Arena Project. The State’s debt service payments began in fiscal year 2005 when the first principal payment was due. Interest amounts due prior to fiscal year 2005 were paid from interest capitalized from the bond proceeds. Payments will continue until fiscal year 2022.

On September 1, 1997, the Missouri Highway 179 Transportation Corporation issued \$22,930,000 of highway revenue bonds for the purpose of acquisition of right-of-way and construction of an extension of Missouri Highway 179 from U.S. Highway 50 to Route B in Cole County, Missouri. At the same time, the Highway and Transportation Commission entered into a financing agreement to make payment to the Corporation in amounts sufficient to pay principal and interest due on \$18,385,625 of bonds. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State. The City of Jefferson and the County of Cole will pay the remainder of the debt service requirements.

In May 2001, the Wentzville Parkway Transportation Corporation issued \$12,935,000 of Transportation Revenue Bonds, Series 2001 for the purpose of financing the Wentzville Parkway project. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State. At the same time, the Missouri Highways and Transportation Commission entered into a financing agreement to make payments to the Corporation amounts sufficient to pay principal on \$8,849,000 of the bonds.

The Fulton 54 Transportation Corporation issued \$8,705,000 of Highway Revenue Bonds Series 2000 dated September 1, 2000. These bonds are not an obligation of the corporation and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement dated September 1, 2000, the Missouri Highways and Transportation Commission will make payments to the Corporation in amounts sufficient to pay principal due on \$7,695,000 of bonds. The remainder of the debt service requirements will be paid by the City of Fulton.

The Missouri Highways and Transportation Commission authorized by the State Highway Act, issued \$250,000,000 of State Road Bonds Series A 2000 dated December 1, 2000, for the purpose of providing funds to finance project costs for highway construction and repairs scheduled in the five-year plan, to fund capitalized interest on the series, and to fund related issuance cost. The principal and interest of the State Road Bonds are payable solely from the State Road Fund's revenues as provided in the Missouri Constitution. In October 2001, \$200,000,000 of Series A 2001 State Road Bonds were issued and in June 2002 \$203,000,000 of Series A 2002 State Road Bonds were issued. The Commission also issued an additional \$254,000,000 of Series A 2003 State Road Bonds in November 25, 2003. On July 1, 2005 the Commission issued \$278,660,000 of Series A 2005 First Lien State Road Bonds and additionally issued \$72,000,000 of Series B 2005 Third Lien State Road Bonds.

On December 15, 2002, the Conservation Commission sold Certificates of Participation (Conservation Commission Project) Series 2002 in the amount of \$4,700,000 to lease/purchase the Conservation Campus in Cape Girardeau from the county. The state's obligation under the certificates of participation does not constitute a general obligation or other indebtedness of the state. The certificates of participation represent proportionate ownership interests of the certificate holders in a lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State.

### **Lease/Purchase Agreements**

On March 1, 1994, Missouri Public Facilities Corporation sold Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994 in the amount of \$22,250,000. The State of Missouri entered into a lease/purchase agreement to lease the acute care psychiatric hospital. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates.

On April 1, 1995, the Missouri PRC Corporation sold Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995 in the amount of \$19,190,000. At the same time, the State of Missouri entered into a lease/purchase agreement to lease the psychiatric rehabilitation center. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay

principal and interest on the certificates, and are subject to annual appropriation by the General Assembly.

On July 1, 1995, the Northwest Missouri Public Facilities Corporation sold Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995 in the amount of \$14,795,000. The State of Missouri entered into a lease/purchase agreement to lease the psychiatric rehabilitation center. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the General Assembly.

On May 27, 1999, the Missouri Public Facilities Corporation II sold Certificates of Participation (Bonne Terre Prison Project) Series A 1999 in the amount of \$106,190,000. At the same time, the State of Missouri entered into a lease/purchase agreement to lease the prison. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the State legislature.

On March 1, 2005, the State issued Refunding Certificates of Participation Series A 2005 in the amount of \$120,490,000. The Refunding Certificates of Participation refunded \$13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, \$13,400,000 Of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, \$9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995 and \$83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The certification of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificate does not constitute a pledge of the full faith and credit of the State.

On November 1, 2005 the Missouri Development Finance Board issued Missouri Development Finance Board Leasehold Revenue Bonds Series 2005 in the amount of \$28,995,000. The Board issued the bonds to finance the purchase of three buildings in St. Louis (Florissant, St. Louis, and Jennings). The Board additionally issued \$9,865,000 of Leasehold Revenue Bonds Series 2006 on May 1, 2006 for the purchase of a building in St. Louis. The State has entered into a lease with the Board.

STATE OF MISSOURI  
SUMMARY OF STATE INDEBTEDNESS  
As of July 1, 2006

Series	Principal Outstanding July 1, 2005
General Obligation Bonds	\$739,935,000
Revenue Bonds	588,790,000
Other Debt/Payments	1,438,049,984
Totals Including Refunding Issues	<u>\$2,766,774,984</u>

STATE OF MISSOURI  
SUMMARY OF ANNUAL DEBT SERVICE  
As of July 1, 2006

Fiscal Year	General Obligation Bonds	Revenue Bonds	Other Debt/ Payments	Total
2007	89,419,101.28	54,758,281.26	159,346,163.00	303,523,545.54
2008	97,626,320.03	54,299,350.01	149,297,929.00	301,223,599.04
2009	92,200,488.78	53,852,606.26	148,283,301.00	294,336,396.04
2010	94,914,038.78	53,420,006.26	144,951,238.00	293,285,283.04
2011	89,885,088.78	43,449,968.76	144,741,716.00	278,076,773.54
2012	75,121,088.78	43,169,581.26	144,605,347.00	262,896,017.04
2013	66,215,738.78	42,729,534.38	143,804,155.00	252,749,428.16
2014	58,673,551.90	40,275,587.50	143,667,816.00	242,616,955.40
2015	58,937,350.02	40,014,137.50	143,567,270.00	242,518,757.52
2016	55,957,606.27	39,807,937.50	101,010,562.00	196,776,105.77
2017	54,562,518.77	39,614,987.50	98,119,967.00	192,297,473.27
2018	29,500,712.52	39,553,587.50	98,138,366.00	167,192,666.02
2019	26,835,631.27	39,500,893.76	97,955,712.00	164,292,237.03
2020	24,641,600.02	39,378,100.00	89,684,134.00	153,703,834.02
2021	16,665,875.02	39,282,350.00	68,330,314.00	124,278,539.02
2022	16,650,612.51	39,236,525.00	46,845,346.00	102,732,483.51
2023	5,102,681.25	39,234,756.25	22,355,482.00	66,692,919.50
2024	5,103,031.25	39,221,781.25	2,566,356.00	46,891,168.50
2025	5,109,875.00	39,227,206.25	2,572,886.00	46,909,967.25
2026	5,116,281.25	39,241,800.00	2,568,986.00	46,927,067.25
2027	3,028,000.00	26,897,050.00	2,563,855.00	32,488,905.00
2028	3,028,875.00	26,832,675.00	2,569,233.00	32,430,783.00
2029	-	26,801,775.00	2,565,864.00	29,367,639.00
2030	-	-	2,567,639.00	2,567,639.00
2031	-	-	2,563,628.00	2,563,628.00
	<u>\$974,296,067.26</u>	<u>\$939,800,478.20</u>	<u>\$1,965,243,265.00</u>	<u>\$3,879,339,810.46</u>

**TAX CREDIT ANALYSIS - Redeemed Tax Credits w/ Department of Revenue & Insurance**  
**Fiscal Impact to Treasury for Month Ending June 30, 2005**

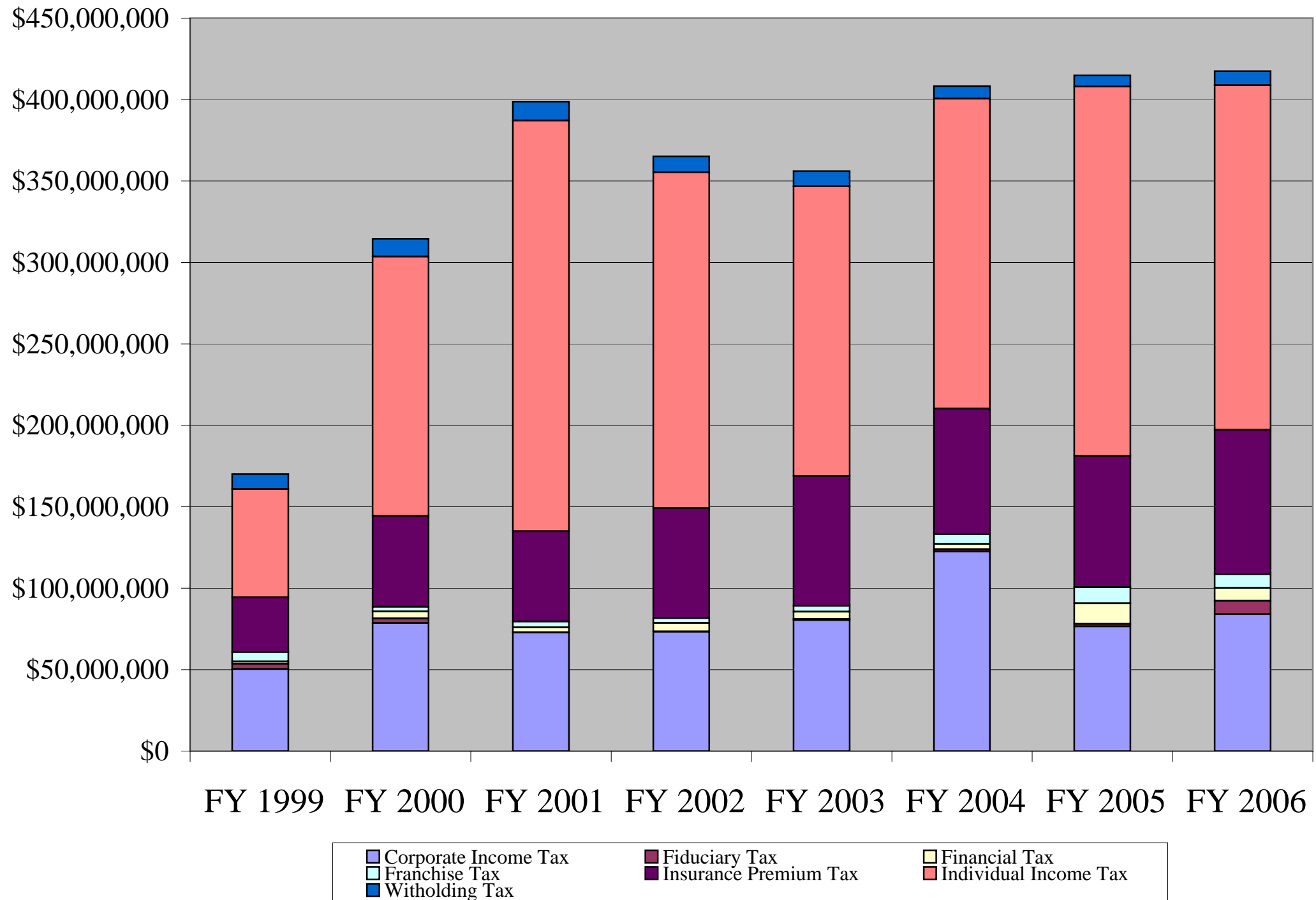
	Fiscal Year Comparison							
	FY 1998	FY 1999	FY 2000	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b><u>Tax Credits Redeemed by Tax Category</u></b>								
Corporate Income Tax	45,383,635	50,371,262	78,737,967	73,271,172	80,484,555	122,546,225	76,625,132	84,110,594
Fiduciary Tax	1,924	3,250,078	2,704,322	188,234	644,933	1,425,487	1,461,890	8,165,222
Financial Tax	3,213,899	1,337,567	4,253,056	5,287,706	4,406,851	3,244,932	12,577,271	7,990,333
Franchise Tax	3,460,966	5,855,690	2,952,422	2,899,711	3,657,601	6,010,883	9,998,466	8,425,771
Insurance Premiums Tax		33,495,325	55,750,267	67,521,748	79,613,541	77,081,548	80,497,660	88,587,262
Individual Income Tax	41,967,164	66,535,273	159,242,242	206,172,658	178,008,175	190,265,386	226,898,202	211,466,404
Withholding Tax	8,669,495	9,190,424	10,888,919	9,864,792	9,139,913	7,696,571	6,847,304	8,654,772
	102,697,083	170,035,619	314,529,195	365,206,021	355,955,569	408,271,030	414,905,925	417,400,358
<b><u>Tax Credits Redeemed by Major Tax Credit</u></b>								
Senior Citizen Circuit Breaker	25,241,004	52,351,205	56,623,024	85,901,461	97,180,378	95,237,314	99,101,427	96,090,703
Historic Preservation	-	2,554,408	8,769,292	32,810,273	40,505,696	61,584,966	74,532,355	103,134,226

<b><u>Increases/Decreases - FY 2005 to FY 2006</u></b>	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>% Inc/Dec</u></b>
Historic Preservation (Individual, Corporate & Other)	74,532,355	103,134,226	38.38%
Senior Citizen Circuit Breaker (Individual)	99,101,427	96,090,703	-3.04%
Infastucture Development (Individual, Corporate * Other)	25,953,799	21,858,725	-15.78%
Business Use Incentives for Large Scale Development (Build) (Ind, Corp & Other)	3,770,557	5,402,416	43.28%
Certified Capital Co. (CAPCO) - (Corporate/Insurance)	13,371,610	13,164,904	-1.55%
Neighborhood Assistance (Individual, Corporate & Other)	9,286,880	10,009,497	7.78%
Neighborhood Preservation (Individual, Corporate & Other)	8,461,503	4,627,368	-45.31%
Rebuilding Communities (Individual, Corporate & Other)	1,694,006	1,764,167	4.14%
Low Income Housing (Individual, Corporate & Other)	65,392,601	61,963,799	-5.24%
Remediation Tax Credit (Individual, Corporate & Other)	10,627,870	10,611,324	-0.16%

**Notes:**

Enterprise Zone income adjustment credits are estimated at 6% of the amount issued to determine cost to the treasury.

# Tax Credit Impact on Treasury



## **GAMING & GAMING COMMISSION REVENUE**

Senate Bill 10 & 11 (86<sup>th</sup> General Assembly, 1<sup>st</sup> Regular Session, 1994) created the Missouri Gaming Commission, which became responsible for the licensing and regulation of excursion gambling boats throughout the state. After June 30, 1994, this act also provided for the transfer of responsibilities of licensing and regulation of bingo activities to the Gaming Commission.

Revenues generated from the gaming industry provide for the operation of the Missouri Gaming Commission (§ 313.835 RSMo), as well as providing a portion of the funding for education throughout the state (§ 313.835 RSMo; Article IV, Section 15, Missouri Constitution). The following information outlines how gaming revenues are divided between the State Education Fund and the Gaming Commission.

### **Gaming Revenue in Missouri**

The following summarizes how the funding mechanism allocates dollars to both the operation of the Gaming Commission and to the State Education Fund.

- There is a \$2 boarding fee, paid either by the gambler or the casino, \$1 of which supports the operation of the Gaming Commission, with the other \$1 going to the local government.
- 80% of the gamblers' losses goes to the boat, while 2% goes to the local government. The remaining 18% (Gaming Tax) is allocated to the Classroom Trust Fund for education.

### **Contribution of Gaming Proceeds (18% tax) to Education**

	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007 (estimated)</b>
Gaming Revenue	\$1,509,325,405	\$1,568,189,096	\$1,608,812,755
Gaming Proceeds to Education	\$271,678,573	\$282,274,037	\$289,586,296

**Appropriations of Gaming Commission Fund Revenues (\$1 boarding fee) \*\***

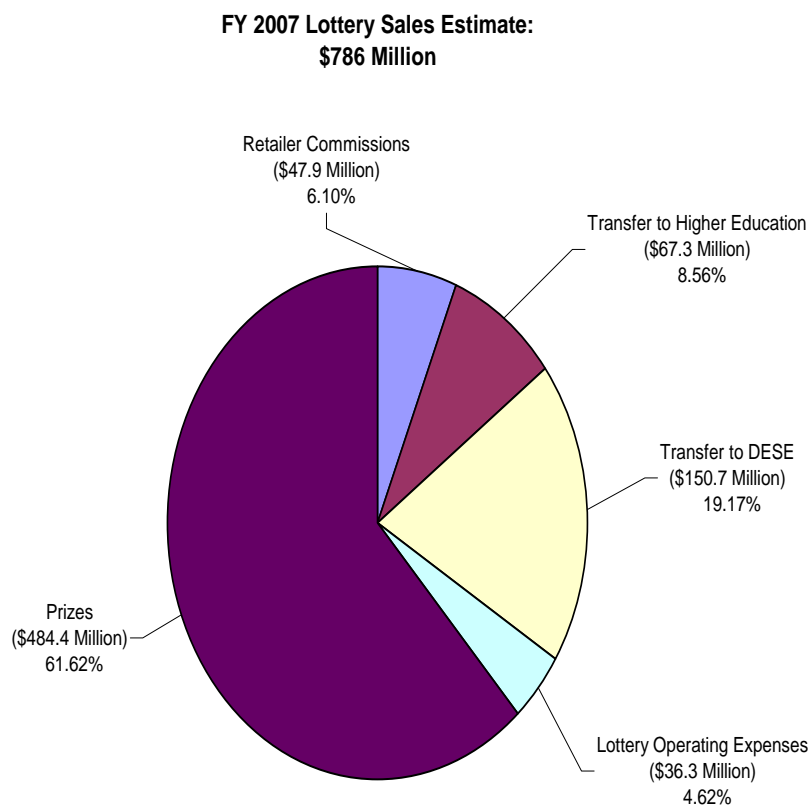
	<b><u>FY 2005</u></b>	<b><u>FY 2006</u></b>	<b><u>FY 2007</u></b>
Juvenile Court Diversion	\$500,000	\$500,000	\$500,000
Veterans Commission CI Trust Fund	\$3,000,000	\$6,000,000	\$6,000,000
MO National Guard Trust	\$3,000,000	\$4,000,000	\$4,000,000
MO College Guarantee	\$5,000,000	\$5,000,000	\$5,000,000
Early Childhood	\$21,831,154	\$30,320,000	\$30,832,109
Compulsive Gambling	\$489,850	\$489,850	\$489,850
Administrative Expenses	<u>\$17,742,347</u>	<u>\$18,380,110</u>	<u>\$21,294,483</u>
<b>TOTAL</b>	<b>\$51,563,351</b>	<b>\$64,689,960</b>	<b>\$68,116,442</b>

NOTE: The amounts listed above for the Veterans Commission Capital Improvements Trust Fund, National Guard Trust, MO College Guarantee are transferred amounts from HB 8. The remaining items; Juvenile Court Diversion (HB 11), Early Childhood (HB 2, 10, 11), Compulsive Gambling (HB 10), and Administrative Expenses (HB 8) are appropriated dollar amounts.



## FY 2007 Lottery Sales Estimate

The Missouri State Lottery was created by voter approval of Constitutional Amendment No. 5 on November 6, 1984. Section 39(b) of Article III of the Missouri Constitution requires that a minimum of 45% of money received from the sale of Missouri state lottery tickets shall be awarded as prizes. The Constitution was further amended on August 4, 1992 to dedicate net lottery proceeds solely to public institutions of elementary, secondary, and higher education.



## TOBACCO SETTLEMENT PROCEEDS

In 1997, the state of Missouri sued 18 tobacco companies on the basis of violations of the Missouri Merchandising Act and antitrust laws, as well as for reimbursement for health care costs and a variety of other claims. In November 1998, Missouri entered into the Master Settlement Agreement ("MSA") in resolution of the litigation in the Circuit Court of the City of St. Louis. Missouri agreed to dismiss all claims in exchange for a series of monetary payments, continued for at least 25 years, and non-monetary benefits, such as a prohibition against certain tobacco advertising. The court approved the settlement on March 5, 1999. Several parties, including public hospitals and other political subdivisions of the state, appealed the MSA and the denial of motions to intervene in the case at the trial level. The Missouri Court of Appeals, Eastern District, upheld the decision of the trial court to approve the settlement, and the Missouri Supreme Court accepted the transfer of the appeal. The Missouri Supreme Court issued its opinion approving the settlement on December 12, 2000.

### **Settlement Proceeds**

The MSA provides that tobacco companies will make payments into an escrow account from which moneys will be disbursed to the state. Missouri's share is estimated at \$4.5 billion over 25 years. This estimate includes adjustments, reductions and offsets, which are calculated on a yearly basis. A schedule of payments and the estimated revenues is shown below.

<u>Fiscal Year</u>	<u>Amount (in millions of dollars)</u>
FY 2001	\$ 338.2 (actual)
FY 2002	\$ 172.7 (actual)
FY 2003	\$ 166.9 (actual)
FY 2004	\$ 143.1 (actual)
FY 2005	\$ 144.9 (actual)
FY 2006	\$ 133.1 (actual)
FY 2007	\$ 147.7
FY 2008	\$ 164.7
FY 2009	\$ 166.4
FY 2010-2025	<u>\$2,954.0</u>
Total	\$4,544.9

The payments received in FY 2006 were \$20.9 million lower than anticipated due to funds being withheld until a pending lawsuit filed by the tobacco companies regarding changes in market-share are resolved. It is possible that the outcome of the suit will result in reductions in future payments.

### **Account Structure**

The Governor issued an Executive Order (01-05) on February 12, 2001, creating a Healthy Families Trust Fund within the state treasury. The Executive Order created five sub-accounts within the Fund: Early Childhood Care and Education Account; Life Sciences Research Account; Tobacco Prevention, Education and Cessation Account; Health Care Treatment and Access Account; and Senior Catastrophic Prescription Drug Account. The Executive Order did not appropriate any funds or dictate any percentages for funding allocations to any account. It directed the Office of Administration to receive and expend tobacco settlement money in accordance with the budget submitted to the General Assembly as amended and truly agreed to and finally passed bills signed by

the Governor.

Executive Order 06-22 issued on June 22, 2006 abolished the five sub-accounts and established that the Healthy Families Trust Fund would expend all payments as appropriated in the budget. The rationale behind the change was to eliminate administrative overhead and double exposure of the funds to the state's cost allocation plan. According to the Office of Administration, this change will have no budgetary impact.

#### **FY 2002 Expenditures**

Due to budget shortfalls that occurred during Fiscal Year 2002, much of the tobacco settlement monies were withheld from the programs they were appropriated for and subsequently transferred to General Revenue. Final expenditures amounts are as follows:

Health Care	\$ 79.2 million
Early Childhood	\$ 9.7 million
Life Sciences	\$ .4 million
Tobacco Prevention	\$ .7 million
Prescription Drugs	\$ 63.2 million
Endowment Fund	\$ 0
Cost Allocation Plan	\$ 2.5 million
Transfer to GR	<u>\$ 228.3 million</u>
Total	\$ 384.0 million

#### **FY 2003 Expenditures**

The following expenditure amounts are for Fiscal Year 2003:

Health Care	\$ 53.8 million
Early Childhood	\$ 0
Life Sciences	\$ 0
Tobacco Prevention	\$ .4 million
Prescription Drugs	\$ 20.4 million
Cost Allocation Plan	\$ 2.5 million
Transfer to GR	<u>\$ 89.4 million</u>
Total	\$166.5 million

#### **FY 2004 Expenditures**

The following expenditure amounts are for Fiscal Year 2004:

Health Care	\$ 54.3 million
Tobacco Prevention	\$ .4 million
Prescription Drugs	\$ 16.9 million
Cost Allocation Plan	\$ 2 million
Transfer to GR	<u>\$ 70.7 million</u>
Total	\$144.3 million

#### **FY 2005 Expenditures**

The following expenditure amounts are for Fiscal Year 2005:

Health Care	\$ 53.5 million
Tobacco Prevention	\$ .4 million
Prescription Drugs	\$ 16.8 million
Cost Allocation Plan	\$ 2.3 million
Transfer to GR	<u>\$ 72.1 million</u>
Total	\$145.1 million

### **FY 2006 Expenditures**

The following expenditure amounts are for Fiscal Year 2006:

Health Care	\$ 53.5 million
Tobacco Prevention	\$ .5 million
Prescription Drugs	\$ 9.0 million
Cost Allocation Plan	\$ 2.1 million
Transfer to GR	\$ 65.3 million*
Treasurer transfer	<u>\$ .02 million</u>
Total	\$130.4 million

\*Includes \$1.6 million swept from Health Care Account balance as part of the biennial transfer to GR.

### **FY 2007 Appropriations**

The following appropriation amounts are for Fiscal Year 2007:

Health Care	\$ 53.5 million
Tobacco Prevention	\$ .5 million
Prescription Drugs	\$ 13.8 million
Cost Allocation Plan	\$ 2.1 million
Transfer to GR	<u>\$ 45.6 million</u>
Total	\$115.5 million

Beginning in FY 2007, 25% of the annual tobacco settlement payments are to be deposited directly in a Life Sciences Research Trust Fund. For FY 2007, \$38.5 million was appropriated to be spent out of the Life Sciences Research Trust Fund for the purpose of funding Medicaid pharmacy costs.

# **Section IV**

## **TOPICS OF INTEREST**

## **ESTIMATED FISCAL IMPACT OF LEGISLATION FOR FY 2007 – FY 2009**

Ninety-four Senate Bills, fifty-five House Bills, one Senate Concurrent Resolution, four House Concurrent Resolutions, one Senate Joint Resolution, and one House Concurrent Resolution were “Truly Agreed To and Finally Passed” during the 93<sup>rd</sup> General Assembly, 2<sup>nd</sup> Regular Session, (2006). The Governor did NOT veto any bills.

Presented on the following pages is a summary of the estimated fiscal impact over the next three years (2007-2009) of the legislation signed by the Governor. Numbers shown in parenthesis, such as (100,000), represent a new cost to the respective fund. Positive numbers, such as 100,000, indicate a savings to the respective fund.

The information given on the following pages is based on information taken from the fiscal notes prepared for each bill by the Oversight Division, Committee on Legislative Research. Numbers do not include the appropriation bills. When the fiscal impact of a bill included a range, the higher figure for costs and losses, and the lower figure for income were used in calculating the fiscal impact. Actual costs may be higher or lower, depending on the actual appropriations. The totals listed for House and Senate bills do not include the unknown figures.

Detailed information on individual bills, including the fiscal note, can be obtained by contacting the Senate Appropriations Staff or accessing the Senate web page at [www.senate.mo.gov](http://www.senate.mo.gov) and the House web page at [www.house.mo.gov](http://www.house.mo.gov).

		General Revenue Funds			Other State Funds			Federal Funds			Local Funds		
Bill No.	Other State Funds	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
SB 558		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Up to \$3,900,000	Up to \$3,900,000
SB 559		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 561		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 567 & 792	Insurance Dedicated				\$5,000	\$0	\$0						
	Conservation Commision	(Unknown exceeding \$66,740)	(Unknown exceeding \$133,480)	(Unknown exceeding \$133,480)	(Unknown expected to exceed \$50,000)	(Unknown expected to exceed \$100,000)	(Unknown expected to exceed \$100,000)	(Unknown exceeding \$21,200)	(Unknown exceeding \$42,400)	(Unknown exceeding \$42,400)	(Unknown)	(Unknown)	(Unknown)
	HWY - HWY Patrol				(Unknown)	(Unknown)	(Unknown)						
	Road				(Unknown)	(Unknown)	(Unknown)						
	All Other State				(Unknown exceeding \$12,060)	(Unknown exceeding \$24,120)	(Unknown exceeding \$24,120)						
SB 578		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 580		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 583		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 612		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 614	Insurance Dedicated	\$0	\$0	\$0	(\$2,164)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 616		(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	(Unknown, greater than \$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 618		Less than \$285,975	Less than \$300,000	Less than \$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 630		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 641		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 645		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 648		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 650		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 667, 704, 941, 956, & 987		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 677		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 678		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 701 & 948		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 718		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 725		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 747		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 749		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 751		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 756		(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 765		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 769		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 778	MO State Water Patrol	\$233,925	\$280,710	\$280,710	\$2,282,438	\$2,738,925	\$2,738,925	\$0	\$0	\$0	\$0	\$0	\$0
SB 785		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Less than \$100,000	Less than \$100,000	Less than \$100,000
SB 802		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 809		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 819		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 822		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 825		\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0	\$0	\$0	\$0	\$0	\$0	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
SB 828		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 830		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$86,031)	(\$86,031)	(\$86,031)
SB 834		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 837		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Bill No.	Other State Funds	General Revenue Funds			Other State Funds			Federal Funds			Local Funds		
		2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
SB 840		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 845		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 863		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 870		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 871		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 872, 754, & 669	Highway	(\$192,721 to \$292,721)	(\$269,091) to Unknown	(\$272,918) to Unknown	\$141,703	\$188,940	\$188,940	\$0	\$0	\$0	\$47,235 to Unknown	Unknown to (Unknown)	Unknown to (Unknown)
SB 881		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 892		(\$4,572 to Unknown)	\$0 to (Unknown)	\$0 to (Unknown)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 893		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 894		(\$0 to Unknown- Expected to be less than \$100,000)	(\$0 to Unknown- Expected to be less than \$100,000)	(\$0 to Unknown- Expected to be less than \$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 900		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 912		(\$96,466)	(\$102,146 to Unknown)	(\$104,698 to Unknown)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 919		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 931		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 932		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0 or (\$18,274)
SB 933		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 934		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 936		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 964		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 974		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 980		(\$696,000)	(\$1,433,760)	(\$2,215,159)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 981		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 990		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1001, 896, & 761		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1002		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1003		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1008		(\$6,740)	(\$6,942)	(\$7,150)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1014 & 730		Less than (\$5,614,120)	Less than (\$3,897,328)	Less than (\$4,394,683)	\$0	\$0	\$0	\$0	\$0	\$0	(Unknown Greater Than \$1,783,112)	(Unknown Greater Than \$1,189,112)	(Unknown Greater Than \$1,189,112)
SB 1016		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1017		\$0	(\$150,000)	(\$150,000)	\$0	\$0	\$0	\$147,266	\$0	\$0	\$0	\$0	\$0
SB 1020		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1023		\$0 or (Unknown) to More than \$576,922	\$0 or (Unknown) to More than \$702,124	\$0 or (Unknown) to More than \$702,124	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1026		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1045		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1056		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1057		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1059		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1060		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1066		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1084		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1086		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
SB 1094		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1117		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Bill No.	Other State Funds	General Revenue Funds			Other State Funds			Federal Funds			Local Funds		
		2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
SB 1122		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1139		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1146		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1155		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1165		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1177		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1189		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1197		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1207		\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0	\$0	\$0	\$0	\$0	\$0	\$970,000	\$1,400,000	\$1,400,000
SB 1208		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1216		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 1229		\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SJR 26		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
TOTALS*		(\$6,472,122)	(\$5,207,320)	(\$6,486,282)	\$2,426,977	\$2,927,865	\$2,927,865	\$147,266	\$0	\$0	\$883,969	\$1,313,969	\$1,313,969

\* Totals do not include unknown figures.

When fiscal note included a range, the higher figure for costs and/or losses, and the lower figure for income was used in calculating the fiscal impact.

Bill No.	Other State Funds	General Revenue Fund			Other State Funds			Federal Funds			Local Funds		
		2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
HB 977		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 978		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 983		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 984		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1026		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1053		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(Unknown)	(Unknown)	(Unknown)
HB 1138		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$86,031)	(\$86,031)	(\$86,031)
HB 1149	Safe Drinking Water	\$0	\$0	\$0	\$1,121,031	(\$355,819)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NRPF Water Permit Fees				(\$750,432)	(\$731,649)	\$0						
HB 1180		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1182		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1204		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Less than \$100,000	Less than \$100,000	Less than \$100,000
HB 1222		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1234		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1245		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1256		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1270 & 1027		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1339		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1343		\$3,549	\$6,499	\$6,499	\$0	\$0	\$0	\$0	\$0	\$0	Unknown	Unknown	Unknown
HB 1344		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1380		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1382 & 1158	Highway	(\$12,798)	(\$12,798)	\$0	\$16,634	\$29,172	\$29,172	\$0	\$0	\$0	\$5,546	\$9,725	\$9,725
HB 1393		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1427		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1437		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1440		Unknown	Unknown	Unknown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1449		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1456	Unemployment Compensation Trust	(\$1,043,732)	(\$1,580,976)	(\$1,483,351)	(\$2,426,985)	(\$9,021,763)	(\$6,747,605)	\$0	(\$21,344)	(\$10,240)	(\$51,962)	(\$194,881)	(\$153,381)
	Various				\$0	(\$42,688)	(\$20,480)						
HB 1485	Insurance Dedicated	(\$46,394 to Unknown)	(\$46,357 to Unknown)	(\$47,523 to Unknown)	(\$2,164)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1488		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1491		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1494		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1509		\$28,333	\$34,000	\$34,000	\$0	\$0	\$0	\$0	\$0	\$0	(\$28,333)	(\$34,000)	(\$34,000)
HB 1511		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1515		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1552		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1559		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1601		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1617 & 1374		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1687		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1688		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1698, 1236, 995, 1362 & 1290		(\$435,677 to Unknown)	(\$898,275 to Unknown)	(\$1,296,586 to Unknown)	\$0	\$0	\$0	(\$80,653)	(\$46,696)	(\$47,889)	(Unknown) to Unknown	(Unknown)	(Unknown)
HB 1703		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1707		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1715		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1732		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1739		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1759		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Bill No.	Other State Funds	General Revenue Fund			Other State Funds			Federal Funds			Local Funds		
		2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
HB 1762		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1787		\$0	\$0	\$0	\$0	\$0	\$0	(\$360,555)	(\$350,000)	(\$350,000)	\$0	\$0	\$0
HB 1827	Insurance Dedicated	\$0	\$0	\$0	\$0 to \$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1837	Insurance Dedicated	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)	(\$123,563)	(\$120,524)	(\$123,555)	\$0	\$0	\$0	Unknown	Unknown	Unknown
	Consumer Restitution				Unknown	Unknown	Unknown						
HB 1857		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1858		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1900		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 1944	State Road	\$0	\$0	\$0	(\$806,860 to Unknown)	(\$806,860 to Unknown)	(\$806,860 to Unknown)	\$0	\$0	\$0	(Unknown)	(Unknown)	(Unknown)
HCR 12		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HJR 55		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS*		(\$1,024,648)	(\$1,553,275)	(\$1,442,852)	(\$2,165,479)	(\$10,243,271)	(\$6,862,468)	(\$441,208)	(\$418,040)	(\$408,129)	(\$160,780)	(\$305,187)	(\$263,687)

\* Totals do not include unknown figures.

When fiscal note included a range, the higher figure for costs and/or losses, and the lower figure for income was used in calculating the fiscal impact.

## **Missouri Transportation Funding**

Ever since Missouri began building roads, every legislature has had to face the issue of how to pay for new roads and to maintain the current ones. Over the years, Missouri has passed various motor fuel taxes and even issued bonds to pay for Missouri's roads. Historically, Missouri has primarily relied upon motor fuel taxes and user fees, such as registration fees and drivers' license fees, to pay for highways. The current funding for transportation is detailed in the paragraphs below and also on the flow chart that follows.

### **Motor Fuel Tax**

The Missouri state fuel tax was originally enacted in 1924. Since then, the fuel tax has risen from 2 cents to 17 cents per gallon by the legislative process and by referendum. In 1987, Missouri voters approved a road and bridge program (Proposition A) that increased the motor fuel tax from 7 to 11 cents per gallon and increased heavy truck registration fees 10 percent. In the 1992 session the General Assembly passed HB 1247 which increased the motor fuel tax by 2 cents in 1992, 1994, and 1996, increasing the total motor fuel tax from 11 cents to 17 cents.

### **Sales and Use Tax on Motor Vehicles**

In 1979, Article IV, Section 30(b) of the Missouri Constitution was amended to add sections 30(b)2 and 30(b)3. Section 30(b)2 provides that one-half of the proceeds from the state sales tax on motor vehicles is to be dedicated for highway and transportation use and distributed as follows: 10% to counties, 15% to cities, 1% to the State Transportation Fund and 74% to the State Road Fund. Section 30(b)3 provides that any increase in state license fees and taxes on motor vehicles is to be distributed as follows: 10% to counties, 15% to cities, and 75% to the State Road Fund. At the time of the adoption of amendment, the general sales tax was 3%; however, the adoption of Proposition C (effective January 1, 1983) increased the general sales tax by 1% to 4%. This increase is viewed as increase in taxes on motor vehicles under Section 30(b)2 and results in a slightly different distribution of the increase. In 2004 Article IV, Section 30(b)2 was amended such that one-half of the proceeds from the state sales tax on motor vehicles is to be dedicated for highway and transportation use and distributed as follows: 10% to counties, 15% to cities, 2% to the State Transportation Fund and 73% to the State Road Fund. Also the remaining one-half of the proceeds from the state sales tax on motor vehicles is deposited in the State Road Bond Fund. This one-half of the proceeds from the state sales tax on motor vehicles is being redirected from general revenue 25% a year starting in fiscal year 2006.

### **Motor Vehicle License, Driver's License and Other Fees**

Annual motor vehicle license fees are based on horsepower in the case of passenger vehicles and on weight and region of operation in the case of trucks. License fees vary from \$18.00 to \$51.00 for passenger vehicles and from \$15.50 (for local trucks 6,000 pounds and under) to \$1,719.50 (for beyond local trucks over 78,000 pounds) for trucks. Driver's license fees range from \$15.00 for a standard license to \$40.00 for a commercial driver's license. Additional revenue is also derived from miscellaneous other fees such as safety inspection decal fees, overweight and overdimension permit fees and truck

regulation fees. Motor vehicle license, driver's license and other similar user fees are deposited in the State Highways and Transportation Department Fund, except that, pursuant to Section 30(b)3 of the Missouri Constitution, any increases in such fees after January 1, 1980, are allocated as follows: (a) 75% to the State Road Fund and (b) 25% to counties and cities.

### **Cost of Collection**

Under Article IV, Section 30(b) of the Missouri Constitution and Section 142.345, RSMo, the actual costs of collecting the motor fuel tax are transferred to the State Highways and Transportation Department Fund for reimbursement by appropriation to the agencies incurring the costs. These costs and the costs of collecting other state revenues from highway users, which consist primarily of compensation and other operating expenses and miscellaneous capital expenses, are appropriated to the Department of Revenue and various state agencies by the General Assembly from the State Highways and Transportation Department Fund. In 2004 Article IV, Section 30(b)2 was amended such that the amount appropriated from this fund was capped at the actual cost of collection but not to exceed 3% of the particular tax or fee collected.

### **Cost of Administering or Enforcing State Motor Vehicle Laws or Traffic Regulations**

In 2004 Article IV, Section 30(b)2 was amended such that the actual cost of the state highway patrol in administering and enforcing any state motor vehicle laws and traffic regulations are paid by appropriation to the Department of Public Safety.

### **Motor Fuel Tax Refunds**

Article IV, Section 30(a) of the Missouri Constitution imposes a tax only on fuel used for propelling highway motor vehicles. Under section 142.806, all undyed motor fuel is presumed to be used on the highways of the state to propel motor vehicles. Section 142.824, however, provides a method for claiming a refund of fuel tax paid on fuel, which is not used for propelling highway motor vehicles. Section 142.345 provides that the amount of the tax collected with respect to fuel not used for highway purposes is to be transferred to the State Highways and Transportation Department Fund to be refunded. Most of the refunds are for refunds under the International Fuel Tax Agreement (IFTA), which compensates states for fuel bought in one state but used in another. An amount is appropriated each fiscal year by the General Assembly to the Department of Revenue for making these refunds.

### **Allocation of Motor Fuel Tax to Counties and Cities**

Pursuant to Article IV, Section 30(a) of the Missouri Constitution, the remaining net proceeds of the motor fuel tax (after deducting costs of collection, apportionment and making refunds) is apportioned between the counties, cities and the state and stands appropriated without General Assembly action. The net proceeds of the motor fuel tax (the 11 cent portion) is distributed as follows: 10% to the County Aid Road Trust Fund (CART) for allocation among the various counties, 15% to the various cities and 75% to the state. The six-cent portion of the motor fuel tax is distributed as follows: 14.75% to the CART Fund, .25% to the City of St. Louis, 15% to the cities and 70% to the state.

## **Cap on Highway Fund Appropriations To Non-Highway Agencies**

Legislation (SB 135, 63) authorizing a 4-cent motor fuel tax increase effective July 1, 1987, established a cap on expenditures from the Highway Fund by other non-highway agencies (§226.200 (3) RSMo). The cap was set at the FY 87 expenditure level and was approximately \$119.6 million. The bill required that when expenditures from the Highway Fund exceeded the cap, the fund must be reimbursed from General Revenue the next fiscal year.

The motor fuel tax increased to six cents in 1992 with the passage of HB 1247, in which the fixed ceiling of \$119.6 million was changed to a flexible ceiling (\$142.372 RSMo). Therefore, the growth in funds allocated to non-highway agencies could increase by the same percentage as the overall increase in state highway revenue sources.

During the 2000 legislative session, the passage of House Bill 1742, re-established a fixed cap (§ 226.200 RSMo). This action will require the reimbursement of General Revenue funds to the Highway Fund when expenditures exceed the FY 01 level of expenditures.

During the 2002 legislative session, the passage of House Bill 1196 provides for the removal of the cap beginning in fiscal year 2004 for the Mo. State Highway Patrol for enforcement related activities, and actual costs incurred by the Office of Administration for or on behalf of the Patrol and employees within the Department of Transportation. In addition, beginning in fiscal year 2008, any activities of the Patrol that are not related to the enforcement of laws pertaining to motor vehicle and usage of the highways shall be supported with general revenue, or other applicable funding sources. This legislation also maintains a cap, which is set at the fiscal year 2001 level for the Department of Revenue, and other non-highway related agencies that are currently authorized to receive funding support from the State Highways and Transportation Department Fund.

The Department of Public Safety and Department of Revenue utilize a significant portion of Highway Fund revenue allocated for non-highway related purposes. The Department of Public Safety is compensated for patrolling the state's highways. Likewise, the Department of Revenue is compensated for implementing state motor vehicle and driver statutes. Other agencies receive Highway Fund revenue for work that relates to the state's highway system.

In 2004 Article IV, Sections 30(a), 30(b), 30(c), and 30(d) were amended such that:

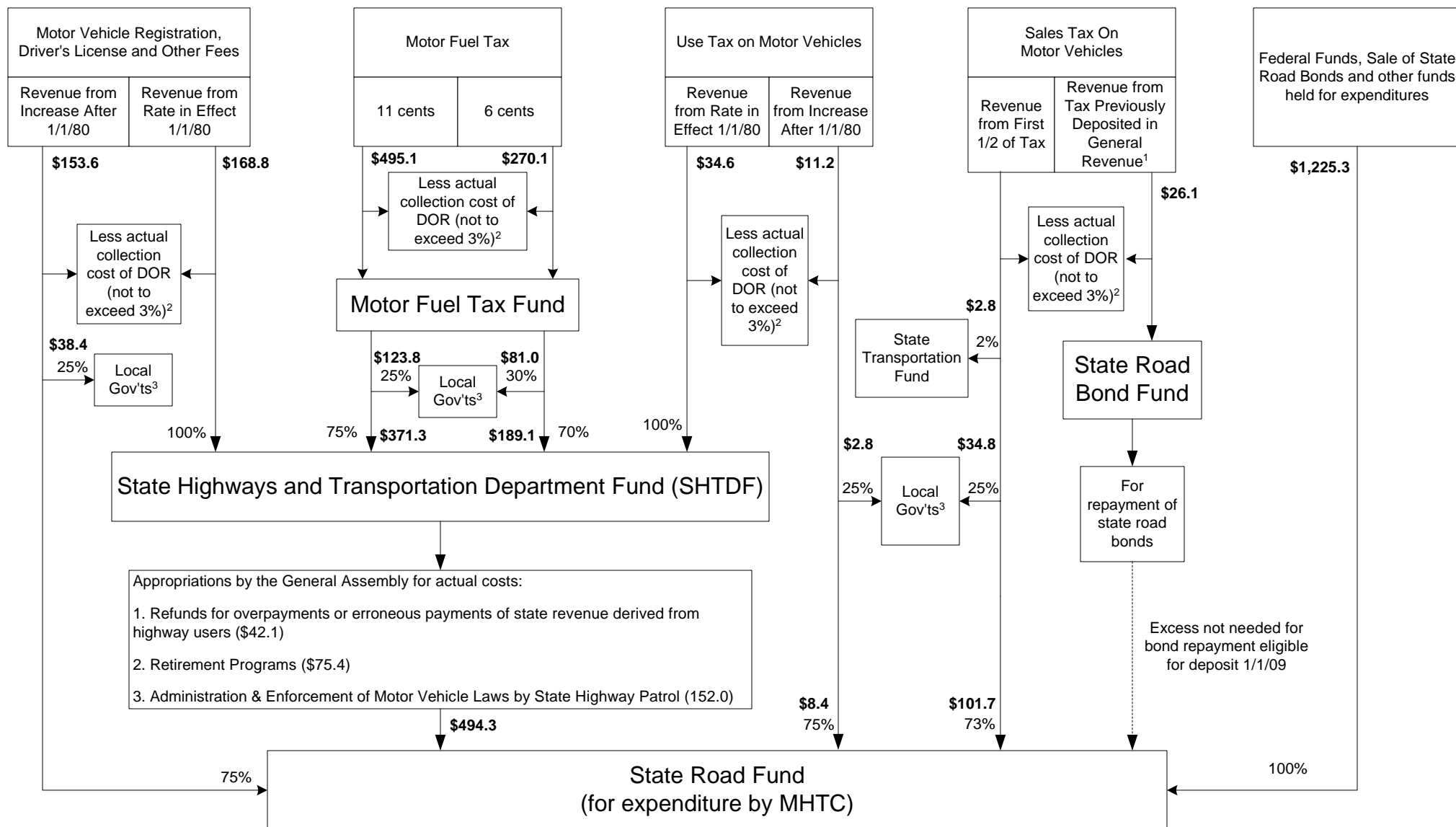
- Cap the Department of Revenue's cost of collection at actual cost not to exceed 3% of the amount of highway funds collected.
- Cap the Highway Patrol's use of highway funds to actual costs of administering and enforcing any state motor vehicle laws and traffic regulations.
- Redirects the 50% of the motor vehicle sales tax that goes to general revenue to the State Road Bond Fund over a four-year period beginning July 1, 2005.

Fiscal Year 2006 Amounts<sup>1</sup>  
(Millions of Dollars)

# MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION (MHTC)

## Road and Bridge Funding - Summary

(Effective 7/1/2005)



<sup>1</sup> Local government amounts derived from deposits to MoDOT funds

<sup>2</sup> Phased in 25% beginning 7/1/05; 50% beginning 7/1/06; 75% beginning 7/1/07; 100% beginning 7/1/08

<sup>3</sup> Actual collection costs for DOR (\$17.8 million) are currently being appropriated from the SHTDF instead of removed prior to distribution

<sup>4</sup> Local Gov'ts are defined as counties and incorporated cities, towns and villages within the state

## COURT ORDERED DESEGREGATION AGREEMENT FISCAL YEAR 2007

Certain state payments formerly made to the Kansas City and St. Louis school districts under court order have been reallocated pursuant to the provisions of SB 781 (1998), Section 162.1060 RSMo, and the terms of the 1999 settlement agreement in the St. Louis Desegregation case (Liddell v. the Board of Education of St. Louis City). In prior years, the state was required to expend moneys in order to improve the quality of education in St. Louis and Kansas City, in order to comply with the orders of U.S. District Courts for Eastern and Western Missouri. Prior to 1993, desegregation payments were made pursuant to federal court order and were not appropriated. Subsequently, these payments have been appropriated to the Department of Elementary and Secondary Education.

The 1999 settlement agreement provides for \$180 million in capital to be paid to the St. Louis Public Schools beginning in FY 2000. Payments are to be made as follows:

July 1, 1999	\$28.5 million	July 1, 2005	\$13.0 million
July 1, 2000	\$25.0 million	<b>July 1, 2006</b>	<b>\$12.0 million</b>
July 1, 2001	\$20.0 million	July 1, 2007	\$11.0 million
July 1, 2002	\$20.0 million	July 1, 2008	\$10.0 million
July 1, 2003	\$16.5 million	July 1, 2009	\$9.0 million
July 1, 2004	\$15.0 million		

A total of \$50 million was paid to the Voluntary Inter-District Choice Corporation in two payments. The first payment was made in fiscal year 2000 and the second payment in fiscal year 2001.

Listed below, are the expenditures of the St. Louis Desegregation Plan and the Kansas City Desegregation Plan that were mandated by court order. The following information is as of June 30, 2005.

### St. Louis Desegregation Plan

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Lapse</u>
2006	\$13,000,000	\$13,000,000	0
2005	\$15,000,000	\$15,000,000	0
2004	16,500,000	16,500,000	0
2003	20,000,000	20,000,000	0
2002	20,000,000	20,000,000	0
2001	50,000,000	50,000,000	0
2000	53,500,000	53,476,585	23,415
1999	191,862,972	188,799,736	3,063,236
1998	158,800,000	147,021,949	11,778,051
1997	151,700,000	138,086,852	13,613,148
1996	153,700,000	148,291,471	5,408,529
1995	155,700,000	139,258,397	16,441,603
1994	147,600,000	134,202,695	13,397,305
1993	147,100,000	136,028,438	11,071,562
1992	144,600,000	137,189,737	7,410,263
1991	135,200,000	132,695,771	2,504,229
1981-1990	674,980,490	616,269,820	58,710,670

### Kansas City Desegregation Plan

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Lapse</u>
1999	\$ 99,000,000	\$ 97,532,435	\$ 1,467,565
1998	132,737,856	132,737,852	4
1997	110,300,000	89,042,565	21,257,435
1996	168,200,000	125,591,973	42,608,027
1995	203,200,000	175,045,453	28,154,547
1994	196,850,000	143,290,085	53,559,915
1993	209,600,000	139,789,109	69,810,891
1992	191,400,000	159,334,336	32,065,664
1991	157,900,000	141,063,712	16,836,288
1986-1990	376,760,000	331,555,932	45,204,068

SOURCE: State of Missouri, Appropriation Activity Report

The fiscal year 1998 Kansas City Desegregation figures reflect moneys that were placed in escrow during fiscal year 1997 but not applied until fiscal year 1998.



## **RECENT LITIGATION**

The district has also filed suit claiming that the amount of funding appropriated through the foundation formula in FY 2003 and FY 2004 are below the minimum levels provided for the settlement agreement. On June 23, 2006, the Circuit Court of St. Louis County issued a decision finding that the State of Missouri has complied with its payment obligations under the St. Louis Desegregation Settlement Agreement.

## STATE EMPLOYEE PAY PLAN HISTORY FY 1991 – FY 2007

The pay plan is created by the Personnel Advisory Board (PAB) and reviewed by the Ad Hock Task Force on Total Compensation. The task force recommendations are integrated into a final plan the PAB submits to the Governor's office and to Budget and Planning. The Governor makes a final recommendation to be reviewed by the legislature.

<b>Fiscal Year</b>	<b>Date Implemented</b>	<b>Description</b>	<b>Positions Under Salary Commission</b>
FY 2007	July 1, 2006	4% COLA for all state employees	NONE
		<b>Exceptions</b> <ul style="list-style-type: none"> <li>• An additional 4% (1 range) for Corrections Officers/Supervisors, Capitol Police officers, Park Rangers, Water Patrol officers, Liquor Control agents, and Fire Investigators</li> <li>• An additional 4-8% for Public Defenders</li> <li>• An additional 8% (2 ranges) for those classified as nurses</li> <li>• Missouri State Highway Patrol pay plan, year three of three year phase in</li> <li>• Water Patrol received first year of three year phase in to raise salaries to equal that of Missouri State Highway Patrol</li> </ul>	
FY 2006	July 1, 2005	No pay plan was offered	NONE
		<b>Exception</b> <ul style="list-style-type: none"> <li>• Missouri State Highway Patrol pay plan, year two of three year phase in</li> </ul>	
FY 2005	July 1, 2004	\$1,200/year beginning July 1, 2004 for all employees	NONE
		<b>Exceptions</b> <ul style="list-style-type: none"> <li>• No salary increases beyond \$1,200 for Probation and Parole employees who had received salary increases in December 2003</li> <li>• Missouri State Highway Patrol pay plan to address recruitment and retention, year one of a three year phase in</li> </ul>	
FY 2004	July 1, 2003	\$600/year beginning July 1, 2003 for employees with an annual salary not greater than \$40,000	NONE
FY 2003	July 1, 2002	No pay plan was offered	NONE
FY 2002	July 1, 2001	No pay plan was offered	NONE

<b>Fiscal Year</b>	<b>Date Implemented</b>	<b>Description</b>	<b>Positions Under Salary Commission</b>
FY 2002 cont.		<b>Exceptions</b> <ul style="list-style-type: none"> <li>• 2% Increase for those classified as direct care staff working in State Habilitation Centers (Department of Mental Health) and for those classified as Psychiatric Aides I and II in State Mental Hospitals</li> <li>• Repositioning of those from ranges 3 and 4 to range 5 (Referred to as Basic Living Wage Reposition) Typical job titles include: Laundry, Janitorial, Custodial, and Food Service Worker</li> </ul>	
FY 2001	July 1, 2000	\$600/year beginning July 1, 2000 1 step within grade (2%) July 1, 2000 \$420/year beginning January 1, 2001	Judges - \$3,000 per year July 1, 2000 Elected Officials, General Assembly – \$300/year July 1, 2000 1 step within grade (1%) July 1, 2000 \$210/year January 1, 2001
		<b>Exceptions</b> <ul style="list-style-type: none"> <li>• Department of Social Services frontline positions (Social Service Worker I &amp; II, Caseworker, Self-Sufficiency Casemanager, Social Service Supervisor and Income Maintenance Supervisor) requiring a college degree or equivalent experience will receive a one range repositioning (approximately 4% increase) in lieu of the 1 step within grade and will receive the \$600 and \$420 COLAS.</li> <li>• Veteran's home' nursing aides will receive the general pay plan with adjustments to equalize the starting salary for Nursing Aide I's to be \$16,716 and to equalize the starting salary of Nursing Aide II's to be \$19,104.</li> <li>• Water Patrol Officers will receive a one range repositioning (approximately 4% increase) in lieu of the 1 step within grade and will receive the \$600 and \$420 COLAS.</li> <li>• Highway Patrol Officers will receive the state pay plan plus varying adjustments to create their own pay grid.</li> </ul>	
FY 2000	July 1, 1999	1% COLA Up to 2 step within grade (about 4%)	Judges – Salary based on Salary Commission Recommendation General Assembly – 5% Elected Officials – 5% - except Lt. Gov. which was based on Commission recommendation ALL INCREASES WERE INITIALLY VETOED, but fully funded Commission recommendation in supplemental appropriation

<b>Fiscal Year</b>	<b>Date Implemented</b>	<b>Description</b>	<b>Positions Under Salary Commission</b>
FY 1999	July 1, 1998	1% COLA Up to 2 step within grade (about 4%)	5%
		\$10 per month flexible benefit	SAME
*FY 1998	July 1, 1997	1% COLA Up to 2 step within grade (about 4%)	Judges, Elected Officials, General Assembly - 2.9%
	Jan. 1, 1998	\$10 per month flexible benefit	SAME
FY 1997	July 1, 1996	2% COLA Up to 2 step within grade (about 4%)	N/A
FY 1995	July 1, 1994	3% plus \$200 COLA	N/A
FY 1994	July 1, 1993	1% plus \$400 COLA \$360 additional health insurance contribution	N/A
FY 1993		No pay plan was offered or approved.	N/A
FY 1992		No pay plan was offered or approved.	N/A
FY 1991	July 1, 1990	2% within grade adjustment	N/A

\*FY 1998 was the first year that the Salary Commission made a recommendation. Previously, Elected Officials, Judges, and the General Assembly received pay increases equal to that of state employees.

## WHERE DOES MISSOURI RANK?

Per Capita Personal Income National Per Capita = \$34,586 2005			Per Capita State Tax Revenue National Per Capita = \$2,190 2005			Per Capita State Expenditures National Per Capita = \$4,797 2004		
Rank	State	Per Capita	Rank	State	Per Capita	Rank	State	Per Capita
1	Connecticut	47,819	1	Vermont	3,600	1	Alaska	12,294
2	Massachusetts	44,289	2	Hawaii	3,478	2	Wyoming	7,107
3	New Jersey	43,771	3	Wyoming	3,418	3	New York	6,892
4	Maryland	41,760	4	Connecticut	3,300	4	Delaware	6,492
5	New York	40,507	5	Delaware	3,229	5	Vermont	6,302
6	New Hampshire	38,408	6	Minnesota	3,094	6	Hawaii	6,225
7	Virginia	38,390	7	Massachusetts	2,815	7	Massachusetts	5,994
8	Colorado	37,946	8	Alaska	2,799	8	Rhode Island	5,914
9	Minnesota	37,373	9	California	2,724	9	New Mexico	5,793
10	Delaware	37,065	10	New Jersey	2,631	10	California	5,686
11	California	37,036	11	New York	2,607	11	Minnesota	5,657
12	Wyoming	36,778	12	Rhode Island	2,443	12	Connecticut	5,580
13	Rhode Island	36,153	13	Wisconsin	2,430	13	Maine	5,568
14	Illinois	36,120	14	Maryland	2,410	14	West Virginia	5,449
15	Nevada	35,883	15	West Virginia	2,367	15	New Jersey	5,349
16	Alaska	35,612	16	Washington	2,360	16	Washington	5,238
17	Washington	35,409	17	Arkansas	2,358	17	Oregon	5,232
18	Pennsylvania	34,897	18	Michigan	2,324	18	Michigan	5,214
19	Hawaii	34,539	19	Maine	2,323	19	Wisconsin	5,192
20	Nebraska	33,616	20	New Mexico	2,319	20	Ohio	5,142
21	Wisconsin	33,565	21	North Dakota	2,203	21	South Carolina	5,104
22	Vermont	33,327	22	Pennsylvania	2,193	22	Montana	5,061
23	Florida	33,219	23	Kentucky	2,179	23	North Dakota	5,028
24	Michigan	33,116	24	Nebraska	2,158	24	Mississippi	4,940
25	Kansas	32,836	25	North Carolina	2,147	25	Kentucky	4,846
26	Ohio	32,478	26	Virginia	2,104	26	Pennsylvania	4,628
27	Texas	32,462	27	Ohio	2,094	27	Arkansas	4,609
28	Iowa	32,315	28	Nevada	2,075	28	Maryland	4,557
29	Oregon	32,103	29	Illinois	2,069	29	Iowa	4,546
30	Missouri	31,899	30	Idaho	2,054	30	Louisiana	4,542
31	South Dakota	31,614	31	Indiana	2,049	31	Utah	4,459
32	North Dakota	31,395	32	Kansas	2,040	32	New Hampshire	4,353
33	Indiana	31,276	33	Montana	2,004	33	North Carolina	4,338
34	Maine	31,252	34	Iowa	1,939	34	Alabama	4,319
35	Georgia	31,121	35	Oklahoma	1,933	35	Oklahoma	4,232
36	Tennessee	31,107	36	Louisiana	1,910	36	Illinois	4,203
37	North Carolina	30,553	37	Florida	1,905	37	Idaho	4,131
38	Arizona	30,267	38	Utah	1,897	38	Kansas	4,099
39	Montana	29,387	39	Mississippi	1,860	39	Indiana	4,075
40	Oklahoma	29,330	40	Arizona	1,854	40	Virginia	4,060
41	Alabama	29,136	41	Oregon	1,791	41	Nebraska	3,993
42	Kentucky	28,513	42	Georgia	1,728	42	Colorado	3,925
43	South Carolina	28,352	43	South Carolina	1,720	43	South Dakota	3,877
44	Idaho	28,158	44	Alabama	1,711	44	Georgia	3,835
45	Utah	28,061	45	Tennessee	1,678	45	Missouri	3,826
46	New Mexico	27,644	46	Missouri	1,645	46	Arizona	3,789
47	West Virginia	27,215	47	Colorado	1,640	47	Tennessee	3,761
48	Arkansas	26,874	48	New Hampshire	1,544	48	Nevada	3,723
49	Mississippi	25,318	49	Texas	1,434	49	Florida	3,448
50	Louisiana	24,820	50	South Dakota	1,430	50	Texas	3,442

Source: U.S. Bureau of the Census and Bureau of Economic Analysis.

## **BUDGET RESERVE FUND**

**Legal Basis:** Article IV, Section 27 (a) of the Missouri Constitution

**Description:** The fund was authorized by constitutional amendment on the November 7, 2000 ballot. The amendment required the transfer of the fund balances from the Cash Operating Reserve Fund and the Budget Stabilization Fund to the newly created Budget Reserve Fund. The Budget Reserve Fund is exempt from the biennial transfer of the balance and earned interest to the General Revenue Fund.

**Purpose:** The fund can be used for cash flow insufficiencies or budget stabilization.

**Cash Flow Insufficiencies** – The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any state fund if the fund balance is insufficient to maintain appropriated levels. Any cash flow transfers must be repaid to the Budget Reserve Fund, with interest, on or before May 15<sup>th</sup> of the fiscal year.

**Budget Stabilization** – If the Governor reduces a department's appropriation level due to a revenue shortfall, or if funds are required to assist the state due to a disaster, the Governor may request appropriations from the Budget Reserve Fund.

The General Assembly must approve the request with a two-thirds vote from both houses.

No more than one-half of the fund balance may be appropriated for this purpose at any one time.

A minimum of one-third of the amount appropriated must be repaid, with interest, in each of the three following fiscal years.

**Fund Balance Limits:** The fund's balance is capped at 7.5% of net general revenue receipts or 10% if approved by the General Assembly for the purpose of increasing the fund balance.

Net general revenue collections are defined as "all revenue deposited into the General Revenue Fund less refunds and revenues originally deposited into general revenue but designated by law for specific distribution or transfer to another state fund."

Excesses above the caps are transferred back to the General Revenue Fund. If the balance is less than 7.5% then the difference stands appropriated and transferred from the General Revenue Fund to the Budget Reserve Fund.

# **FUND BALANCES AS OF JUNE 30<sup>TH</sup> OF FISCAL YEAR**

	Budget Stabilization Fund	Cash Operating Reserve Fund	Budget Reserve Fund	TOTAL
1985	0	130,000,000	0	130,000,000
1986	0	139,274,691	0	139,274,691
1987	0	147,031,658	0	147,031,658
1988	0	152,263,244	0	152,263,244
1989	0	163,447,214	0	163,447,214
1990	0	177,694,086	0	177,694,086
1991	52	186,063,790	0	186,063,842
1992	17,184,602	186,984,083	0	204,168,685
1993	24,722,740	193,067,523	0	217,790,263
1994	36,981,5090	202,243,756	0	239,225,265
1995	23,699,999	212,987,699	0	236,687,698
1996	29,032,747	232,375,970	0	261,408,717
1997	121,444,844	245,143,210	0	366,588,054
1998	128,169,446	261,985,315	0	390,154,761
1999	135,293,029	278,468,808	0	413,761,837
2000	142,777,246	293,425,824	0	436,203,070
2001	0	0	451,979,500	451,979,500
2002	0	0	469,923,936	469,923,936
2003	0	0	462,371,185	462,371,185
2004	0	0	444,203,058	444,203,058
2005	0	0	463,329,441	463,329,441
2006	0	0	492,987,262	492,987,262

## Calculation of Total State Revenue

In November, 1980, Missouri citizens approved an amendment to Article X of the Missouri Constitution limiting the amount of tax revenue the State may collect in any fiscal year. The amendment, referred to as the Hancock Amendment, established a ratio between personal income and total state revenues for fiscal year 1981 and used that ratio to set the Total State Revenue (TSR) limit for subsequent years.

The ratio is .056395. For FY 2006, this ratio is applied to the United States Department of Commerce's calculation of Missouri personal income for calendar year 2003 to establish the fiscal year 2005 revenue limit.

The Hancock Amendment defines total state revenues as "all general and special revenues, license and fees, excluding federal funds as defined in the budget message of the Governor for fiscal year 1980-1981." Because the limit is actually on the General Assembly's power of taxation, revenues generated by taxes approved by voters after the adoption of the amendment are excluded from the calculation of TSR. Revenues generated by any agency acting on voter approval, i.e., the Missouri Lottery, are excluded. Also, the calculation excludes refunds of any tax included in TSR.

If in any fiscal year, TSR exceeds the limit by 1% or more, the amount of the excess is to be refunded pro rata based on the taxpayer income tax liability reported on the annual Missouri income tax returns filed in the following year. If the limit is exceeded by an amount of less than 1%, the excess is transferred to the General Revenue Fund.

In any fiscal year, the revenue limit may be exceeded if: the Governor asks the General Assembly to declare an emergency and the nature of the emergency and its cost to the state are clearly specified by the Governor; and the General Assembly declares an emergency by a two-thirds majority vote. The emergency must be declared prior to the expenditure of any "excess" revenue. Refunds resulting from provisions of the amendment cannot be the subject of any request to declare an emergency.

The Hancock Amendment includes further provisions limiting tax increases of political subdivisions and limits state government's flexibility to reduce support or impose new responsibilities on to local governments. This material is beyond the scope of this text. Interested persons should refer to the Missouri Constitution, Article X, §§ 21 and 22.

The Tobacco Master Settlement Agreement Proceeds have been determined by the Office of Administration – Budget and Planning to be recovery costs for Medicaid expenses related to smoking and, therefore, exempted from Total State Revenue. This issue faces a likely court challenge.

It is unlikely that the Hancock Amendment will be triggered in the foreseeable future. The state is currently hundreds of millions of dollars below the refund threshold, and Article X, Section 18(e) of the Missouri Constitution mandates that the people must vote any major tax increase, and therefore it would be excluded from total state revenue.

Article X, Section 18(e) states that in any one year the general assembly shall not increase taxes or fees by more than \$50 million adjusted for growth in Missouri personal income or 1% of Total State Revenue, whichever is less. For 2007 the adjusted limit is approximately \$77 million. If the general assembly increases taxes or fees by more than the limit, the largest tax or fee increases must go to a vote of the people.



# BUDGET PROCESS OVERVIEW

## STATE OF MISSOURI

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### **I. Department Budget Preparation**

- A. State agencies prepare budget requests during summer and fall for the following fiscal year in accordance with guidelines issued by the Office of Administration's Division of Budget and Planning.
- B. Budget requests are submitted to OA-Budget and Planning by October 1. Copies are submitted to the legislature at the same time.

### **II. Governor Recommends Executive Budget**

- A. After analysis by OA-Budget and Planning, the Executive Budget is published in mid-January.
- B. Governor gives State of the State and Budget Message to a Joint Session of the Legislature in the first few weeks of the legislative session in January.
- C. Appropriations Bills, the first twenty or so House Bills, are introduced by the Chairman of the House Budget Committee.

### **III. House Appropriations Committees Operating Budget Hearings**

- A. After introduction, Appropriations Bills are referred to the House Budget Committee for assignment to the appropriate House Appropriations Committee.
- B. Each House Appropriations Committee (General Administration and Transportation, Education and Public Safety, Natural and Economic Resources, Health and Mental Health, and Social Services and Corrections) holds budget hearings in late January or early February for agencies to testify on their budget requests and the Governor's recommendations.

### **IV. House Action on Emergency and Supplemental Appropriations**

- A. House Budget Committee conducts hearings on emergency and supplemental requests for the current year early in the session. Emergency and supplemental appropriations are for unforeseen changes in circumstance in the current fiscal year. The legislature takes action only on the requests recommended by the Governor.
- B. House Budget Committee "marks-up" emergency and supplemental appropriation bills and sends House Committee Substitutes to the full House for action.

**V. House Appropriations Committee Operating Budget Recommendations**

- A. House Appropriations Committees “mark-up” the operating budgets and staff prepares House Committee Substitute bills to reflect the committee recommendations.
- B. House Appropriations Committee Chairmen present recommendations to the House Budget Committee.

**VI. House Budget Committee Acts on Operating Budget**

- A. House Budget Committee either accepts House Appropriations Committee recommendations, alters the recommendations, or rejects the recommendations with instructions for the House Appropriations Committee to reconsider the proposed budget.
- B. House Committee Substitute Appropriations bills as approved by the House Budget Committee are sent to the full House of Representatives with a committee recommendation.

**VII. House Floor Action on Operating Budget**

- A. All appropriations bills for the operating budget are brought before the House of Representatives.
- B. House Committee Substitute (or House Substitute) bills as perfected by amendment and floor vote are sent to the Senate, usually with one-third of the session remaining.

**VIII. House Action on Capital Budget**

- A. House Budget Committee conducts hearing and “marks-up” capital budget for recommended House Committee Substitute Bills. The capital budget uses a biennial appropriations process for major, multiyear projects. During the second year of the biennium, funding is provided for critical projects not envisioned at the time of the adoption of the biennial budget.
- B. Full House passes House Committee Substitute (or House Substitute) bills and sends to the Senate.

**IX. Senate Appropriations Committee Operating Budget Hearings**

- A. Senate Appropriations Committee conducts budget hearings and reviews in late January.
- B. Senate Appropriations Committee “marks-up” operating budget, prepares recommendations, and staff prepares summaries of action for presentation to the full Senate.

**X. Senate Appropriations Committee Action**

- A. Senate Appropriations Committee conducts hearings and “marks-up” emergency and supplemental appropriations to prepare Senate Committee Substitute for House Committee Substitute appropriations bill on emergency and supplementals.
- B. Senate Appropriations Committee conducts hearings and “marks-up” capital budget for Senate Committee Substitute bills.

**XI. Senate Action on Appropriations**

- A. Full Senate either adopts Senate Committee Substitutes, amends Senate Committee Substitutes, or adopts Senate Substitute bills for appropriations on emergency and supplemental, operating, and capital budgets.
- B. The Senate returns the appropriation bills to the House of Representatives for acceptance or for the House to make a request for conference to settle differences.

**XII. Conference Committee(s) on Appropriations**

- A. Conference Committees, consisting of five (5) members from the House of Representatives and five (5) members from the Senate, meet to achieve compromises, settle differences and adopt Conference Committee Substitute appropriations bills.
- B. Conference Committee bills are then returned to the full House and Senate to be Truly Agreed to and Finally Passed.

**XIII. Governor’s Line-Item Veto**

- A. Truly Agreed To and Finally Passed appropriations bills are sent to the Governor for signature.
- B. Governor either signs an appropriations bill, vetoes entire bill, or line-item vetoes part or all of sections or lines in the bill. Appropriations for payment of principal and interest on public debt and appropriations for free public schools cannot be vetoed under the Missouri Constitution. The Governor must act before July 1 and on that date the appropriated moneys may be expended.

**XIV. Governor's Control Over Expenditure Rates**

- A. Governor controls the rate of expenditure against appropriations through the allotment process.
- B. An initial reserve plan is the statutorily required 3% withholding on appropriations to be expended upon approval of the Governor.
- C. Governor may further withhold funds to reduce expenditures below appropriations whenever actual revenues are less than estimates on which the appropriations are based.

**XV. Legislative Override of Governor's Veto**

- A. Legislature may override Governor's veto of bill or line-item by a two thirds majority in both the House and Senate during the following legislative veto session held in September.
- B. Process begins again.

# Calendar of Floor Action on FY 2007 Appropriation Bills

## 93<sup>rd</sup> General Assembly, 2nd Regular Session

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<b>January</b>	<b>4</b>	<b>93<sup>rd</sup> General Assembly, 2nd Regular Session begins</b>
	<b>4</b>	House Introduced/Read First Time – HB 1015
	<b>11</b>	State of the State Address – Executive Budget presented
	<b>12</b>	House Floor Action/Third Read & Passed – HB 1015
	<b>12</b>	Senate Introduced/Read First Time – HB 1015
	<b>19</b>	Senate Floor Action/Third Read & Passed – HB 1015
	<b>19</b>	<b>Governor signed HB 1015</b>
	<b>26</b>	House Introduced/Read First Time – HB 1014
<b>February</b>	<b>23</b>	House Floor Action/Third Read & Passed – HCS HB 1014
	<b>24</b>	House Introduced/Read First Time – HBs 1001 - 1013
	<b>27</b>	Senate Introduced/Read First Time – HCS HB 1014
<b>March</b>	<b>6</b>	Senate Floor Action/Third Read & Passed – SCS HCS HB 1014
	<b>14</b>	House/Senate Floor Action – TAFP – CCS SCS HCS HB 1014
	<b>14</b>	<b>Governor signed HB 1014</b>
	<b>16</b>	House Floor Action/Third Read & Passed – HBs 1001, 1008, 1009 & 1013; HCS HB 1002-1007 & 1010 – 1012
	<b>16</b>	Senate Introduced/Read First Time – HBs 1001; HCS HB 1002 - 1005
	<b>20</b>	<b>March 20 – March 24 – Spring Break</b>
	<b>22</b>	Senate Introduced/Read First Time – HCS HB 1006, 1007 & 1010 – 1012; HBs 1008, 1009 & 1013
<b>April</b>	<b>4</b>	House Introduced/Read First Time – HB 1021
	<b>19</b>	Senate Floor Action/Third Read & Passed – SCS HBs 1001, 1008, 1009 & 1013; SCS HCS HBs 1002 – 1007 & 1010 - 1012
	<b>20</b>	House Floor Action/Third Read & Passed – HCS HB 1021
	<b>20</b>	Senate Introduced/Read First Time – HCS HB 1021
<b>May</b>	<b>2</b>	House/Senate Floor Action – TAFP – CCS SCS HB 1001 & 1008; CCS SCS HCS HBs 1002 - 1007
	<b>3</b>	House/Senate Floor Action – TAFP – CCS SCS HBs 1009 & 1013; CCS SCS HCS HBs 1010 – 1012; HCS HB 1021
	<b>12</b>	<b>93<sup>rd</sup> General Assembly, 2<sup>nd</sup> Regular Session ends (6:00 p.m.)</b>
<b>June</b>	<b>22</b>	<b>Governor signed HBs 1001 &amp; 1002</b>
	<b>23</b>	<b>Governor signed HB 1003</b>
	<b>29</b>	<b>Governor signed HBs 1004 – 1013 &amp; 1021</b>
<b>September</b>	<b>13</b>	<b>Veto Session</b>

## **SB 287 (2005) - THE NEW FOUNDATION FORMULA**

FY 2007 represents the first year of state appropriations to school districts based on the new foundation formula passed in the 2005 session (SB 287).

The new foundation formula is a student-focused, successful-school model based on characteristics of those districts meeting all performance standards reflected in the Annual Performance Report ("performance districts"). Based on those districts, it establishes a "state adequacy target" (\$6,117 for FY 2007) to ensure that all districts with a tax levy of at least the performance levy (\$3.43) have that amount of money behind each student. The state adequacy target will be recalculated every two years using the most current list of performance districts.

- Formula payments are calculated on a per-student basis. The formula also provides additional funding through student weighting for districts whose percentage of free or reduced lunch, special education, or English proficiency students exceed the respective percentages in the performance districts. The new formula does not provide additional weight for summer school attendance.
- The state adequacy target includes expenditures from the following categories of state funding. Thus these items will no longer be funded separately:
  - Line 14 of current formula ("At-risk" programs)
  - Exceptional pupil aid (Special Education categorical)
  - Gifted education (Gifted categorical)
  - Remedial Reading categorical
  - Fair Share fund
  - Free Textbook fund
- The local revenue deduction utilized in the formula is calculated by taking \$3.43 times the 2004 assessed valuation in the school district, regardless of the district's actual levy. The \$3.43 amount is called the performance levy. The district's local effort deduction is frozen so that growth in local collections will be retained by the district without offsetting state aid payments.
- A dollar value modifier (DVM) is used to recognize increased operating costs in some districts, primarily in metropolitan regions.
- The formula is phased-in over seven years beginning in FY 2007.

- Districts are guaranteed to receive a minimum state funding amount per student - the amount received per student in FY 2006. This amount will be adjusted upward for districts with a DVM greater than 1.0.
- A "Small Schools Fund" is established to distribute an additional \$15 million annually among districts with 350 students (average daily attendance) or less. Ten million of this is to be distributed strictly on a per-ADA, with the other five million being distributed on a weighted basis to those small districts with levies greater than the \$3.43 performance levy.
- Revenues from gaming will be accounted for separately through the Classroom Trust Fund, also established by the act. Districts are given nearly unlimited flexibility in using these funds.
- The act creates option districts, which may forgo state aid in return for regulatory relief.
- SB 287 also increases the statutory minimum teacher's salary to \$22,000 in 2006-07, increasing to \$25,000 in 2009-10. The minimum for a master's degree teacher with 10 years experience is \$30,000 in 2006-07 and \$33,000 by 2009-10.